



**REPUBLIC OF THE PHILIPPINES**  
**DEPARTMENT OF BUDGET AND MANAGEMENT**  
BONCODIN HALL, GENERAL SOLANO STREET, SAN MIGUEL, MANILA

**LOCAL BUDGET MEMORANDUM NO. 74 – A**

**To : LOCAL CHIEF EXECUTIVES, MEMBERS OF THE LOCAL SANGGUNIAN, LOCAL BUDGET OFFICERS, LOCAL TREASURERS, LOCAL PLANNING AND DEVELOPMENT COORDINATORS, LOCAL ACCOUNTANTS, AND ALL OTHERS CONCERNED**

**Subject : ADJUSTED FY 2017 INTERNAL REVENUE ALLOTMENT AND ADDITIONAL GUIDELINES ON THE PREPARATION OF THE FY 2017 ANNUAL BUDGETS OF LOCAL GOVERNMENT UNITS**

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**1.0 PURPOSES**

- 1.1 To inform the local government units (LGUs) of their adjusted Internal Revenue Allotment (IRA) shares for FY 2017 resulting from the adoption of the 2015 Census of Population by Province, City, Municipality, and Barangay, as approved under Proclamation No. 1269 dated May 19, 2016;<sup>1</sup> and
- 1.2 To prescribe additional guidelines on the preparation of the FY 2017 annual budgets of LGUs.

**2.0 ADJUSTMENT IN THE COMPUTATION AND ALLOCATION OF THE IRA SHARES OF LGUs FOR FY 2017**

- 2.1 Section 285 of Republic Act (RA) No. 7160<sup>2</sup> provides, among others, that the share of each province, city and municipality shall be based on the following formula: population (50%), land area (25%), and equal sharing (25%).
- 2.2 By virtue of Proclamation No. 1269 dated May 19, 2016, the 2015 Census of Population by Province, City, Municipality, and Barangay has been declared official for all purposes.
- 2.3 Since the IRA shares of LGUs for FY 2017 under Local Budget Memorandum (LBM) No. 74 dated June 15, 2016 were computed based on the 2010 Census of Population approved under Proclamation No. 362 dated March 30, 2012, there is a need to adjust the computation and allocation of the IRA shares of LGUs for FY 2017.
- 2.4 Moreover, the decision of the Sangguniang Panlalawigan of Quezon in the boundary dispute between the Municipalities of Panukulan and Burdeos, both of the Province of Quezon, over Barangay Rizal has been upheld pursuant to the final and executory court decisions in: (i) Civil Case No. 03-0614-M docketed as Municipality of Burdeos, Province of Quezon, Represented by

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<sup>1</sup> Declaring as Official the 2015 Population of the Philippines by Province, City/Municipality, and Barangay, based on the 2015 Census of Population Conducted by the Philippine Statistics Authority

<sup>2</sup> The Local Government Code of 1991

Municipal Mayor Jose M. Ayuso vs. Municipality of Panukulan, Province of Quezon, Represented by Municipal Mayor Herminio A. Penamente; and (ii) Municipality of Burdeos vs. Province of Quezon, G.R. No. 203213, November 21, 2012. Thus, there is likewise a need to adjust the FY 2017 IRA shares of the Municipalities of Panukulan and Burdeos, consistent with Section 93, General Provisions of the FY 2016 General Appropriations Act (RA No. 10717), that, "All valid adjustments, changes, modifications, or alterations in any of the factors affecting the computation of the IRA that occurred or happened, including final and executory court decisions made effective, during the current fiscal year, shall only be considered and implemented by the DBM in the subsequent fiscal year from receipt by the DBM of the notice of said change." (emphasis ours)

- 2.5 Accordingly, the IRA shares of LGUs for FY 2017 shall be adjusted consistent with the foregoing. The details by region and by level of LGU are reflected in Annex A hereof and the LGUs shall be notified of their adjusted individual IRA allocation by the Department of Budget and Management (DBM) Regional Offices.

**3.0 ADDITIONAL GUIDELINES IN THE PREPARATION OF THE FY 2017 ANNUAL BUDGETS OF LGUs**

- 3.1 The FY 2017 Annual Budgets of LGUs shall be prepared in accordance with the procedures and schedules prescribed under RA No. 7160 using the Local Budget Preparation (LBP) forms. Instructions were added in each of the following LBP forms for easy reference and proper accomplishment:

- 3.1.1 LBP Form No. 1 – Budget of Expenditures and Sources of Financing (Annex B)
- 3.1.2 LBP Form No. 2 – Programmed Appropriation and Obligation by Object of Expenditure (Annex C)
- 3.1.3 LBP Form No. 2A – Programmed Appropriation and Obligation for Special Purpose Appropriations (Annex D)
- 3.1.4 LBP Form No. 3 – Personnel Schedule (Annex E)
- 3.1.5 LBP Form No. 4 – Mandate, Vision/Mission, Major Final Output, Performance Indicators and Targets (Annex F)
- 3.1.6 LBP Form No. 5 – Statement of Indebtedness (Annex G)
- 3.1.7 LBP Form No. 6 – Statement of Statutory and Contractual Obligations and Budgetary Requirements (Annex H)
- 3.1.8 LBP Form No. 7 – Statement of Fund Allocation by Sector (Annex I)

- 3.2 In line with the current Administration's priority to eradicate the problem of illegal drugs in the country, LGUs are hereby enjoined to comply with the pertinent provisions of RA No. 9165,<sup>3</sup> including its Implementing Rules and Regulations, to wit:

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<sup>3</sup> Comprehensive Dangerous Drugs Act

*"SECTION 51. Local Government Units' Assistance. – The LGUs shall appropriate a substantial portion of their respective annual budgets to assist in or enhance the enforcement of the Act giving priority to preventive or educational programs and the rehabilitation or treatment of drug dependents.*

- (a) *Consistent with the principles of local autonomy, the local sanggunians shall appropriate substantial funds from their annual budgets to be utilized in assisting or enhancing the enforcement of the Act, giving priority to educational programs on drug abuse prevention and control and rehabilitation and treatment of drug dependents, such amount to be determined by the sanggunian concerned based on the perceived need of the locality."*

Specifically, LGUs are encouraged to provide funds in their annual budgets for the : (i) conduct of barangay clearing operations, including rehabilitation and after care of drug users in coordination with the Department of Health and the Department of Social Welfare and Development; (ii) establishment of Special Drug Education Centers; and (iii) strengthening of the criminal justice system, among others.

- 3.3 Consistent with the pertinent provisions of Philippine Commission on Women-Department of the Interior and Local Government-DBM-National Economic and Development Authority Joint Memorandum Circular (JMC) No. 2016-01 dated January 12, 2016,<sup>4</sup> LGUs are enjoined to prepare their respective Gender and Development (GAD) Plans and Budgets, and to have these reviewed and endorsed by the appropriate office identified in the said JMC. Accordingly, Item 2.2.10 of LBM No. 74 is hereby amended to read as follows:

"2.2.10 Together with the Annual Budget, LGUs shall prepare and submit their respective Local Disaster Risk Reduction Management Plans, Local Climate Change Action Plans, and DILG - **endorsed** Gender and Development Plan and Budget."

- 4.0 All other provisions of LBM No. 74 that are not affected by the provisions of this LBM shall remain in full force and effect.
- 5.0 Please be guided accordingly.

September 9, 2016

  
**BENJAMIN E. DIOKNO**  
Secretary

Department of Budget  
and Management



05-2016-08-000218

<sup>4</sup> Amendments to PCW-DILG-DBM-NEDA JMC No. 2013-01: Guidelines on the Localization of the Magna Carta of Women

CY 2017 IRA OF LGUs  
(In P0.00)

Annex A

REGION	PROVINCES	CITIES	MUNICIPALITIES	BARANGAYS	GRAND TOTAL
NATIONAL CAPITAL REGION	382,730,428.00	21,175,869,790.00	121,992,871.00	8,575,720,633.00	30,256,313,722.00
CORDILLERA ADMINISTRATIVE REGION	4,779,320,055.00	1,539,513,245.00	6,470,087,590.00	2,081,388,745.00	14,870,309,635.00
REGIONAL OFFICE NO. I	6,199,467,106.00	3,756,693,458.00	10,575,842,254.00	5,944,209,915.00	26,476,212,733.00
REGIONAL OFFICE NO. II	6,726,153,636.00	3,563,447,869.00	10,430,459,953.00	4,148,874,773.00	24,868,936,231.00
REGIONAL OFFICE NO. III	11,908,760,638.00	8,610,453,630.00	16,912,630,997.00	9,182,423,681.00	46,614,268,946.00
REGIONAL OFFICE NO. IV.A	13,336,865,159.00	13,775,480,671.00	16,632,155,972.00	11,824,780,475.00	55,569,282,277.00
REGIONAL OFFICE NO. IV.B	6,051,679,844.00	2,771,131,241.00	9,283,767,773.00	3,047,438,068.00	21,154,016,926.00
REGIONAL OFFICE NO. V	7,736,953,334.00	3,582,023,615.00	12,045,563,614.00	6,565,357,032.00	29,929,897,595.00
REGIONAL OFFICE NO. VI	8,628,382,775.00	9,986,960,802.00	12,277,146,050.00	8,092,571,900.00	38,985,061,527.00
REGIONAL OFFICE NO. VII	6,888,925,703.00	9,577,729,160.00	10,893,071,016.00	7,007,022,973.00	34,366,748,852.00
REGIONAL OFFICE NO. VIII	7,005,357,030.00	4,932,683,465.00	11,403,078,448.00	6,703,570,036.00	30,044,688,979.00
REGIONAL OFFICE NO. IX inc. ARMM	7,169,139,321.00	5,210,269,393.00	10,949,890,563.00	5,508,966,309.00	28,838,265,586.00
REGIONAL OFFICE NO. X	6,016,473,763.00	7,074,937,397.00	8,584,329,339.00	4,523,724,491.00	26,199,464,990.00
REGIONAL OFFICE NO. XI	5,577,544,492.00	7,491,749,768.00	6,770,701,039.00	3,771,433,035.00	23,611,428,334.00
REGIONAL OFFICE NO. XII inc. ARMM	9,758,621,565.00	4,304,737,989.00	15,626,330,866.00	6,415,797,200.00	36,105,487,620.00
REGIONAL OFFICE NO. XIII	5,173,095,329.00	4,171,847,889.00	6,961,235,919.00	2,688,441,910.00	18,994,621,047.00
<b>GRAND TOTAL</b>	<b>113,339,470,178.00</b>	<b>111,525,529,382.00</b>	<b>165,938,284,264.00</b>	<b>96,081,721,176.00</b>	<b>486,885,005,000.00</b>

*A. Jans*  
*at*

## BUDGET OF EXPENDITURES AND SOURCES OF FINANCING

LGU: \_\_\_\_\_

## GENERAL FUND

Particulars 1	Account Code 2	Income Classification 3	Past Year (Actual) 4	Current Year Appropriation			Budget Year (Proposed) 8
				First Semester (Actual) 5	Second Semester (Estimate) 6	Total 7	
I. Beginning Cash Balance							
II. Receipts							
A. Local Sources							
1. Tax Revenue							
a. Real Property Tax (RPT)							
i. Basic RPT							
ii. Special Education Fund							
b. Business Tax							
c. Other Local Tax							
Total Tax Revenue							
2. Non-Tax Revenue							
a. Regulatory Fees							
b. Service/User Charges							
c. Receipts from Economic Enterprise							
d. Other Receipts							
Total Non-Tax Revenue							
Total Local Sources							
B. External Sources							
1. Internal Revenue Allotment							
2. Share from GOCCs (PAGCOR and PCSO)							
3. Other Shares from National Tax Collection							
a. Share from Ecozone							
b. Share from EVAT							
c. Share from National Wealth							
d. Share from Tobacco Excise Tax							
4. Inter-Local Transfer							
5. Extraordinary Receipts/Grants/Donations/Aids							
Total External Sources							
C. Non-Income Receipts							
1. Capital Investment Receipts							
a. Proceeds from Sale of Assets							
b. Proceeds from Sale of Debt Securities of Other Entities							
c. Collection of Loans Receivable							
Total Capital Investment Receipts							
2. Receipts from Loans and Borrowings							
a. Acquisition of Loans							
b. Issuance of Bonds							
Total Receipts from Borrowings and Loans							
Total Non-Income Receipts							
Total Receipts							
III. Expenditures							
Personal Services							
Salaries and Wages							
Salaries and Wages - Regular							
Other Compensation							
Personal Economic Relief Allowance (PERA)							
Personnel Benefit Contributions							
Other Personnel Benefits							

<b>Maintenance and Other Operating Expenses</b> Traveling Expenses Training and Scholarship Expenses Supplies and Materials Expenses Utility Expenses Communication Expenses Awards/Rewards Expenses Survey, Research, Exploration and Development Expenses Demolition/Relocation and Desilting/Dredging Expenses Generation, Transmission and Distribution Expenses Confidential, Intelligence and Extraordinary Expenses Professional Services General Services Repairs and Maintenance Financial Assistance / Subsidy <b>Financial Expenses</b> <b>Capital Outlays</b> Investment Property Land and Buildings Property, Plant and Equipment Land Land Improvements Biological Assets Intangible Assets <b>Special Purpose Appropriations (SPAs)</b> Appropriation for Development Programs/Projects (20% Development Fund) Appropriation for Local Disaster Risk Reduction and Management (LDRRM) Programs/Projects (5% LDRRM Fund) Appropriations for Debt Service Advances/Loans to Local Economic Enterprises/Public Utilities Aid to barangays Other Authorized SPAs <b>Total Expenditures</b> <b>IV. Ending Balance</b>							
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We hereby certify that the information presented above are true and correct. We further certify that the foregoing estimated receipts are reasonably projected as collectible for the Budget Year.

\_\_\_\_\_  
Local Treasurer

\_\_\_\_\_  
Local Budget  
Officer

\_\_\_\_\_  
Local Planning  
Development  
Officer

\_\_\_\_\_  
Local Accountant

*Handwritten signature*

Approved:

\_\_\_\_\_  
Local Chief Executive

## INSTRUCTIONS

Column 1 – Indicate the receipts by major source. The beginning cash balance shall be net of amounts earmarked for specific purposes (e.g., continuing appropriations, 20% Development Fund).

Column 2 – Indicate the account code for each itemized receipt using the Revised Chart of Accounts for LGUs, as prescribed under Commission on Audit Circular No. 2015-009 dated December 1, 2015.

Column 3 – Classify the income into regular (R) or non-regular (NR).

Column 4 – Indicate the past year's actual receipts and expenditures. The past year's and the first two quarters of the current year's actual receipts and expenditures shall be jointly certified by the Local Treasurer and the Local Accountant.

Columns 5 and 6 – Indicate current year's estimated receipts and expenditures, as follows:

- First semester – actual receipts and expenditures jointly certified by the Local Treasurer and the Local Accountant.
- Second semester – estimated receipts and expenditures prepared by the Local Budget Officer.


Column 7 – Indicate the totals of the amounts under Columns 5 and 6.

Column 8 – Indicate the proposed amount of receipts and expenditures for the budget year.

### Notes:

1. Prepare the same form for each local economic enterprise/public utility.

2. Based on the Bureau of Local Government Finance Memorandum Circular No. 16-2015 dated June 19, 2015 re Local Public Financial Management (PFM) Tools for the Electronic Statement of Receipts and Expenditures (which include the Guidebook for the New Local Government Financial Performance Monitoring System), regular revenues refer to taxes, fees and receipts actually realized, including the IRA and other shares provided for in Sections 284, 290 and 291 of RA No. 7160, but exclusive of non-recurring receipts such as national aids, grants, financial assistance, loan proceeds, sales of assets, miscellaneous income/receipts and other similar receipts.



## PROGRAMMED APPROPRIATION AND OBLIGATION BY OBJECT OF EXPENDITURE

LGU: \_\_\_\_\_

Office: \_\_\_\_\_

Object of Expenditure 1	Account Code 2	Past Year (Actual) 3	Current Year (Estimate)			Budget Year (Proposed) 7
			First Semester (Actual) 4	Second Semester (Estimate) 5	Total 6	
Personal Services Salaries and Wages Salaries and Wages - Regular Other Compensation Personal Economic Relief Allowance (PERA) Personnel Benefit Contributions Other Personnel Benefits Maintenance and Other Operating Expenses Traveling Expenses Training and Scholarship Expenses Supplies and Materials Expenses Utility Expenses Communication Expenses Awards/Rewards Expenses Survey, Research, Exploration and Development Expenses Demolition/Relocation and Desilting/Dredging Expenses Generation, Transmission and Distribution Expenses Confidential, Intelligence and Extraordinary Expenses Professional Services General Services Repairs and Maintenance Financial Assistance / Subsidy Financial Expenses Capital Outlays Investment Property Land and Buildings Property, Plant and Equipment Land Land Improvements Biological Assets Intangible Assets <b>Total Appropriations</b>						

Prepared:

\_\_\_\_\_  
Department Head

Reviewed:

\_\_\_\_\_  
Local Budget Officer

Approved:

\_\_\_\_\_  
Local Chief Executive

F. Jim V

## **INSTRUCTIONS**

This form is intended to reflect the following:

Column 1 – Indicate the applicable Objects of Expenditures. Indicate under Financial Expenditures whether the amounts represent bank charges, interest expense, commitment charges, documentary stamp expense and other financial charges, losses incurred relative to foreign exchange transactions and debt service subsidy to GOCCs consistent with NGAs.

Column 2 – Indicate account code using the Revised Chart of Accounts for LGUs, as prescribed under Commission on Audit Circular No. 2015-009 dated December 1, 2015.

Column 3 – Indicate the actual expenditures incurred in the Past Year.

Columns 4 and 5 – Indicate current year's expenditures, as follows:

- First semester – actual expenditures as certified by the Local Accountant.
- Second semester – estimated expenditures prepared by the Department Head

The totals of this column for all Departments/Offices should tally with the amount of Expenditures per Columns 5 and 6 of LBP Form No. 1.

Column 6 – Indicate the totals of the amounts under Columns 5 and 6.

Column 7 – Indicate the proposed expenditures for the budget year.

Note: The Local Budget Officer shall prepare a summary for all offices using LBP Form No. 1.

*Agm p*

## Programmed Appropriation and Obligation for Special Purpose Appropriations

LGU: \_\_\_\_\_

AIP Reference Code 1	Sector 2	Program/Project/Activity 3	Past Year (Actual) 4	Current Year		Budget Year (Proposed) 7
				Actual 5	Estimate 6	

Prepared:

\_\_\_\_\_  
Department Head


Reviewed:

\_\_\_\_\_  
Local Budget Officer

Approved:

\_\_\_\_\_  
Local Chief Executive

This form is intended to reflect the details of Special Purpose Appropriations lodged under each Department/Office.



Personnel Schedule CY \_\_\_\_\_

LGU: \_\_\_\_\_

Item Number		Position Title  3	Name of Incumbent  4	Current Year Authorized		Budget Year Proposed		Increase / Decrease  9
Old 1	New 2			Rate/Annum		Rate/Annum		
				SG / Step 5	Amount 6	SG / Step 7	Amount 8	

Prepared:

\_\_\_\_\_  
Department Head

Reviewed:

\_\_\_\_\_  
Human Resource Management Officer

Approved:

\_\_\_\_\_  
Local Chief Executive**INSTRUCTIONS**

Columns 1 and 2 – Indicate the old and new item numbers of the plantilla position.

Columns 3 and 4 – Indicate the position title and the name of the incumbent occupying each position. If the position is unfilled, indicate the word "vacant" under column 4. If the position is proposed for abolition, place the position title inside a bracket. If the position is proposed for reclassification, place the previous position title in a bracket and indicate the proposed position title below it.

Column 5 and 6 – Indicate the current salary grade/step and corresponding rate per annum of each position. Include as a footnote the compensation law/circular being implemented. For the initial implementation of changes, attach a copy of the Position Allocation List.

Column 7 & 8 – Indicate the salary grade/step and corresponding rate per annum of each position proposed for the budget year.

Column 9 – Indicate the difference between the old and the new rates of compensation per annum for the budget year.

Notes:

1. Prepare the same form for each local economic enterprise/public utility.
2. Separate plantilla using the same format shall be prepared for Casual Employees whose salaries are chargeable against Personal Services Appropriation.
3. Only funded vacant positions shall be included in the plantilla. All unfunded vacant positions shall be removed/deleted from the plantilla.

## Mandate, Vision/Mission, Major Final Output, Performance Indicators and Targets CY \_\_\_\_\_

LGU: \_\_\_\_\_

Mandate :  
 Vision :  
 Mission :  
 Organizational Outcome :

AIP Reference Code 1	Program/Project/Activity Description 2	Major Final Output 3	Performance / Output Indicator 4	Target for the Budget Year 5	Proposed Budget for the Budget Year			
					PS 6	MOOE 7	CO 8	Total 9

Prepared:

Reviewed: Local Finance Committee

\_\_\_\_\_  
Department Head\_\_\_\_\_  
Local Planning and Development Coordinator\_\_\_\_\_  
Local Budget Officer\_\_\_\_\_  
Local Treasurer

Approved:

\_\_\_\_\_  
Local Chief Executive**INSTRUCTIONS**

Mandate: Quote the provision of the LGC on the mandate of the Department/Office.

Vision: Indicate the future role of the department/office in the LGU's development.

Mission: Indicate the significant role of the department/office in attaining the vision.

Organizational Outcome: The specific short-term benefits to clients and the community as a result of the LGU's delivery of Major Final Outputs as defined in the organization's results framework.

Column 1- Indicate the PPA reference code reflected in the AIP corresponding to each PPA.

Column 2- Indicate a concise description of the work to be done under a particular sector to achieve specific objectives.

Column 3- Indicate the good or service that a department/agency is mandated to deliver to external clients through the implementation of PPAs.

Column 4- Indicate the means for measuring the quantity, quality and timeliness of service delivery to the clients.

Column 5- Indicate the target for the budget year in terms of the performance indicator expressed in quantity, quality and timeliness.

Columns 6,7,8 &amp; 9 – Indicate the proposed budget for the PPA, broken down by expense class - Personal Services (PS), Maintenance and Other Operating Expenses (MOOE) and Capital Outlay (CO), including Special Purpose Appropriations attributed to and implemented by the Department/Office.

Note: This Form shall be prepared by the Department Head, reviewed by the Local Planning and Development Officer, for the targets and the Local Budget Officer, for the proposed budget and approved by the Local Chief Executive.



## Statement of Indebtedness

LGU: \_\_\_\_\_

Creditor 1	Date Contracted 2	Term 3	Principal Amount 4	Purpose 5	Previous Payments Made			Amount Due (Budget Year)			Balance of the Principal 12
								Principal 9	Interest 10	Total 11	

Certified Correct:

Noted by:

\_\_\_\_\_  
Local Accountant\_\_\_\_\_  
Local Chief Executive**INSTRUCTIONS**

This form is intended to reflect the following:

Column 1 – Full name of creditors with their corresponding addresses under each fund/special account and under each office.

Column 2 – Date when the obligation is incurred.

Column 3 – Period (months/years) within which to pay the loan.

Column 4 – Principal amount of the loan.

Column 5 – Purpose of the loan incurred.

Columns 6, 7 &amp; 8 – Total payments prior to budget year, including payments within the current year.

Columns 9, 10 &amp; 11 – Amounts due and budgeted for the budget year.

Column 12 – Balance of the principal after deducting previous payments and amount due for the budget year (Columns 6-11).

Note: Prepare the same form for each local economic enterprise/public utility.

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## Statement of Statutory and Contractual Obligations and Budgetary Requirements CY \_\_\_\_\_

LGU: \_\_\_\_\_

Description 1	Amounts 2
<b>1. Statutory and Contractual Obligations</b> 1.1 5% MMDA Contribution for LGUs in NCR only (R.A. No. 7924) 1.2 Retirement Gratuity 1.3 Terminal Leave Benefits 1.4 Debt Service 1.5 Employees Compensation Insurance Premiums 1.6 PhilHealth Contributions 1.7 Pag-IBIG Contribution 1.8 Retirement and Life Insurance Premiums <b>2. Budgetary Requirements</b> 2.1 20% of IRA for Development Fund 2.2 5% Local Disaster Risk Reduction and Management 2.3 Financial Assistance to Barangays (Php 1,000.00 minimum aid) <b>TOTAL</b>	

## Certified Correct:

\_\_\_\_\_  
Local Budget Officer\_\_\_\_\_  
Local Treasurer\_\_\_\_\_  
Local Planning and  
Development Coordinator

## Approved:

\_\_\_\_\_  
Local Chief Executive

This form presents the statutory and contractual obligations, and budgetary requirements.

Prepare the same form for each local economic enterprise/public utility.

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## LGU: \_\_\_\_\_

Particulars 1	Account Code 2	General Public Services 3	Social Services 4	Economic Services 5	Other Services 6	Total 7
TOTAL APPROPRIATIONS						

**Certified Correct:**

Approved:

**Local Budget Officer**

### Local Accountant

**Local Chief Executive**

### INSTRUCTIONS

The Statement of Fund Allocation is a summary of appropriations covering the proposed expenditures of the budget year.

Indicate all allocations by sector/service, inclusive of lump-sum appropriations for 5% Disaster Risk Reduction Management Fund, 20% Development Fund, Aid to Barangays and Financial Expenses.

Column 2 - Indicate account code using the Revised Chart of Accounts for LGUs, as prescribed under Commission on Audit Circular No. 2015-009 dated December 1, 2015.

Columns 3-6 - The classification of PPAs that should fall within a sector shall follow these guidelines:

Column 3: Public Service Sector - All PAPs that provide planning, financial, administrative, legal and legislative services to the front-line services of the LGUs shall be categorized within this sector.

Column 4: Economic Services Sector - All PAPs directed towards promoting growth in the economy, using all factors in production, like increasing productivity in agriculture and all other industries, generating employment and other livelihood projects, shall fall within this sector.

Column 5: Social Services Sector - All PAPs that promote the well-being and general welfare of constituents or people like education, health, public safety, and protection of the marginalized and disadvantaged members of the society, shall be classified within this sector.

Column 6: Other Services - PAPs that cannot be categorized in any of the sectors identified above

Note: Prepare the same form for each local economic enterprise/public utility.

*A. Jones*