



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

**LOCAL BUDGET CIRCULAR**

No. : 119-B  
September 4, 2020

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 : **AMENDMENT TO LOCAL BUDGET CIRCULAR NO. 119 DATED JULY 15, 2019, ENTITLED, "GUIDELINES ON THE RELEASE AND UTILIZATION OF THE LOCAL GOVERNMENT SUPPORT FUND— OTHER FINANCIAL ASSISTANCE TO LOCAL GOVERNMENT UNITS IN THE FY 2019 GENERAL APPROPRIATIONS ACT, REPUBLIC ACT NO. 11260"**

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1.0 This Circular is being issued to amend items 3.14 and 4.0 of the Local Budget Circular (LBC) No. 119, dated July 15, 2019, entitled, "Guidelines on the Release and Utilization of the Local Government Support Fund—Other Financial Assistance to Local Government Units in the FY 2019 General Appropriations Act, Republic Act No. 11260".

2.0 Item 3.14 of LBC No. 119 is hereby amended to read as follows:

*"3.14. The LGSF-FA to LGUs shall be recorded as trust by the LGUs for the specified purpose(s) for which the funds were received. Funds which remain unutilized as of December 31, 2020 shall be reverted to the National Treasury by the recipient LGUs. However, if at any point before December 31, 2020, the LGU determined that the fund can no longer be utilized, e.g, when the program(s) and/or project(s) cannot be implemented for any reason, the amount received by the same LGU from the LGSF-FA to LGUs shall be immediately reverted to the National Treasury."*

3.0 Further, item 4.1 of LBC No. 119 is also amended to read as follows:


**"4.0 PROHIBITIONS ON THE USE OF THE LGSF-FA to LGUs**

The LGSF-FA to LGUs shall not be used:

4.1 For any purpose other than the program(s) and/or project(s), including the location thereof, for which the fund was released, **without approval from the DBM;**

- 4.2 To fund projects already fully covered by the other sources of funds; and
- 4.3 For the payment of Personal Services expenditures (i.e., payment of salaries, including honoraria, allowances, bonuses, and similar forms of compensation).”
- 4.0 Beneficiary LGUs<sup>1</sup> seeking for the Department’s approval to use the released funds for any purpose other than the program(s) and/or project(s) already covered by the Notice of Authority to Debit Account Issued (NADAI), including the location thereof, shall resubmit the corresponding omnibus sworn statement reflecting the requested revision in project title or location, following the template(s) prescribed under LBC No. 119.
- 5.0 It is understood that any requests for change of purpose of the funds received by the beneficiary-LGUs shall continue to conform with the provisions of LBC No. 119 and LBC No. 119-A and shall not entail additional allocation from the FY 2019 LGSF-FA to LGUs.
- 6.0 All other provisions of LBC No. 119 and LBC No. 119-A that remain unaffected shall remain in full force and effect.
- 7.0 This Circular shall take effect fifteen (15) days after its publication.

  
**WENDEL E. AVISADO**  
Secretary



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<sup>1</sup> LGUs which already received their NADAI chargeable against the FY 2019 LGSF-FA