



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

**CIRCULAR LETTER**

No. 2021 - 13  
Date: **December 31, 2021**

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 : **REMINDER TO THE LOCAL GOVERNMENT UNITS (LGUs) REGARDING THE UTILIZATION OF THEIR RESPECTIVE ALLOCATIONS FROM THE BAYANIHAN GRANT AND SUBMISSION AND POSTING OF THE REQUIRED REPORTS**

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- 1.0 By virtue of Republic Act (RA) No. 11469 (*Bayanihan to Heal as One Act*), the Department of Budget and Management (DBM), upon approval by the Office of the President, released the Bayanihan Grant to Cities and Municipalities and the Bayanihan Grant to Provinces. The guidelines on the release and utilization of the BGCM and BGP are provided under Local Budget Circular (LBC) No. 125 dated April 7, 2020<sup>1</sup> and LBC No. 126 dated April 13, 2020,<sup>2</sup> respectively.
- 2.0 Under said LBCs, the allocation of the recipient LGUs from the Bayanihan Grant may be utilized for the duration of the State of Calamity, as declared by the President.<sup>3</sup> Funds which remain unutilized after the lifting of the State of Calamity, by Presidential Proclamation, shall be reverted to the National Treasury by the recipient LGUs.<sup>4</sup>
- 3.0 It must be noted that, pursuant to RA No. 11520,<sup>5</sup> the appropriations under the FY 2020 General Appropriations Act (GAA) or RA No. 11465, as one of the funding sources of RA No. 11469, were extended until December 31, 2021.<sup>6</sup> Accordingly, the period of obligation and disbursement of the appropriations under RA No. 11469, which include the Bayanihan Grant to LGUs, was likewise extended until December 31, 2021.

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<sup>1</sup> Guidelines on the Release and Utilization of the Bayanihan Grant to Cities and Municipalities

<sup>2</sup> Guidelines on the Release and Utilization of the Bayanihan Grant to Provinces

<sup>3</sup> LBC No. 125, Item 3.8; LBC No. 126, Item 3.8

<sup>4</sup> LBC No. 125, Item 3.9; LBC No. 126, Item 3.9

<sup>5</sup> An Act Extending the Availability of the 2020 Appropriations to December 31, 2021, Amending for the Purpose Section 60 of the General Provisions of Republic Act No. 11465 or the General Appropriations Act of Fiscal Year 2020

<sup>6</sup> Sec. 60. Cash Budgeting System. All appropriations authorized in this Act, including budgetary support to GOCCs, shall be available for release and disbursement for the purpose specified, and under the same general and special provisions applicable thereto, until December 31, 2021. While the amount appropriated herein as financial assistance to LGUs released during the fiscal year shall be available for the disbursement for the purpose specified until December 31, 2021. xxx

- 4.0 In view thereof, while Proclamation No. 1218 dated September 10, 2021<sup>7</sup> extended the duration of the State of Calamity throughout the Philippines for a period of one (1) year, effective September 13, 2021 to September 12, 2022, the obligation and disbursement of the Bayanihan Grant to LGUs should still be made contingent to the validity of its funding sources.
- 5.0 In this regard, all recipient LGUs are hereby reminded that the Bayanihan Grant to LGUs funded under the FY 2020 GAA, RA No. 11465, are valid for disbursement only until **December 31, 2021**. Funds which remain unutilized thereafter shall be reverted to the National Treasury by the recipient LGUs. It must be understood that unutilized funds refer to the balances of the amount released for construction of infrastructure projects or delivery of goods, which are not yet constructed or delivered, inspected and paid by the recipient LGUs.
- 6.0 The recipient LGUs are also reminded to strictly comply with the posting and reporting requirements prescribed under LBC No. 125 and LBC No. 126.
- 6.1 Upon full utilization of the allocation of the LGU and/or upon reversion of the undisbursed balances to the National Treasury, the LGU concerned shall immediately submit to the DBM a complete report on fund utilization of its allocation from the Bayanihan Grant, using the prescribed format under LBC No. 125 and LBC No. 126.
- 6.2 Moreover, in case of undisbursed balances, the LGU shall deposit to the account of the National Treasury, the said balances and shall submit the deposit slip, including Bureau of the Treasury certification of deposits, to the DBM as proof that the amount has been reverted.
- 7.0 The DBM Regional Offices are hereby directed to disseminate a copy of this Circular Letter to all recipient LGUs of the Bayanihan Grant under their respective functional jurisdictions.
- 8.0 For your guidance and strict compliance.

  
**TINA ROSE MARIE L. CANDIA**  
Officer-in-Charge



<sup>7</sup> Further Extending the Period of a State of Calamity Through the Philippines Due to Corona Virus Disease 2019 Declared Under Proclamation No. 1021, s. 2020