



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



## LOCAL BUDGET CIRCULAR

No. **141**

Date: **December 28, 2021**

To : Local Chief Executives, Members of the Local Sanggunian, Members of the Local Disaster Risk Reduction and Management Councils, Local Budget Officers, Local Treasurers, Local Planning and Development Coordinators, Local Accountants, and All Others Concerned

Subject : **GUIDELINES ON THE RELEASE AND UTILIZATION OF THE FINANCIAL ASSISTANCE TO CITIES AND MUNICIPALITIES THAT WERE AFFECTED BY TYPHOON ODETTE, CHARGED AGAINST THE FY 2021 UNPROGRAMMED APPROPRIATIONS (UA)**

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### 1.0 LEGAL BASIS

Special Provision No. 2 of the FY 2021 UA provides, in part, that the amount of PhP 9,840,671,000 shall be used in support for infrastructure projects and social programs.

### 2.0 PURPOSE

This Circular is being issued to prescribe the guidelines on the release and utilization of the financial assistance to cities and municipalities that were affected by Typhoon Odette, charged against the FY 2021 UA.

### 3.0 GUIDELINES

- 3.1 The fund shall be released to cities and municipalities that were affected by Typhoon Odette, and the individual amount shall be computed based on the number of affected families/persons based on the reports of the Department of Social Welfare and Development (DSWD).
- 3.2 The corresponding Special Allotment Release Order and Notices of Cash Allocation (NCA) shall be released by the Department of Budget and Management (DBM) to the Bureau of the Treasury (BTr) and Authorized Government Servicing Banks (AGSBs), respectively, consistent with Department of Finance-DBM Joint Circular No. 2016-1 dated January 4, 2016.<sup>1</sup>

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<sup>1</sup> Guidelines for the Direct Release of Funds by the Bureau of the Treasury (BTr) to Local Government Units (LGUs) in FY 2016 and Thereafter

- 3.3 Upon receipt of the Advice of NCA Issued, the BTr shall release the corresponding Advices to Debit Account (ADAs) to the AGSBs. In parallel, the BTr shall inform the beneficiary cities and municipalities of their released allocations through the issuance of Notices of ADA Issued.
- 3.4 The fund shall be used exclusively by the beneficiary cities and municipalities for the provision of assistance to affected individuals equivalent to PhP 1,000.00 per affected individual, with a maximum amount of PhP 5,000.00 per family, subject to the close supervision and monitoring of the Department of the Interior and Local Government and DSWD.
- 3.5 The beneficiary cities and municipalities shall determine the most efficient and effective way of release of assistance. Likewise, the fund shall not be used for any other unauthorized programs, projects, activities, and expenses.
- 3.6 The assistance to affected individuals to be charged against the amount received by the beneficiary cities and municipalities shall be included in their respective approved Annual Investment Programs.
- 3.7 The fund shall be recorded as trust receipts by the beneficiary cities and municipalities and shall be used only for the specified purpose for which the funds were received. The beneficiary cities and municipalities are enjoined to fully comply with the pertinent accounting and auditing guidelines prescribed by the Commission on Audit (COA).
- 3.8 Funds which remain unutilized after December 31, 2022 shall be reverted to the National Treasury by the recipient cities and municipalities. For this purpose, unutilized funds refer to the balances of the amount received by the beneficiary cities and municipalities, which were not disbursed by the same cities and municipalities.
- 3.9 Disbursements and utilization of the fund shall be subject to the pertinent budgeting, accounting, and auditing laws, rules and regulations.

#### **4.0 POSTING AND REPORTING REQUIREMENTS**

The beneficiary cities and municipalities shall:

- 4.1 Prepare a report on fund utilization and status of implementation of programs, projects, and/or activities (PPAs) using the prescribed format (Annex A);
- 4.2 Post the accumulated reports on the beneficiary city's/municipality's website and in at least three (3) conspicuous public places in the locality at the end of each month; and
- 4.3 The local chief executive (LCE) of the implementing city/municipality shall send the said monthly report, together with the list of beneficiaries, to the DBM, the COA, and other offices where the submission of reports is required under existing laws, rules, and regulations.

## 5.0 **RESPONSIBILITY AND ACCOUNTABILITY**

The responsibility and accountability in the implementation of PPAs and proper utilization and disbursement of the fund shall rest upon the LCE and other local officials concerned. It is also the responsibility of said local officials to ensure that the funds released to their respective cities/municipalities are utilized strictly in accordance with applicable budgeting, accounting, and auditing laws, rules and regulations.

## 6.0 **ITEMS FOR RESOLUTION**

Issues and concerns that may arise in the implementation of this Circular, including cases not covered herein, shall be referred to DBM for resolution.

## 7.0 **SEPARABILITY CLAUSE**

If any provision of this Circular is declared invalid or unconstitutional, the other provisions not affected thereby shall remain valid and subsisting.

## 8.0 **REPEALING CLAUSE**

All provisions of existing guidelines that are not consistent with this Circular are hereby revised, modified and/or repealed accordingly.

## 9.0 **EFFECTIVITY**

This Circular shall take effect immediately upon complete publication in the Official Gazette or in a newspaper of general circulation.

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





**FINANCIAL ASSISTANCE TO LOCAL GOVERNMENT UNITS (LGUs), CHARGED AGAINST THE FY 2021 UNPROGRAMMED APPROPRIATIONS**

**Report on Fund Utilization and Status of Program/Project/Activity (P/P/A) Implementation  
For the Month of \_\_\_\_\_**

Fund Source	Date of Notice of Authority to Debit Account Issued (NDAI)	Name/Title of PPA	Specific Location	Mechanism/ Mode of Implementation	Estimated Number of Beneficiaries	Amount			Estimated Period of Completion (month and year)	Program/ Project Status
						Received	Obligation	Disbursement		

Prepared by: The Local Finance Committee (LFC)

Attested by:

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

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

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

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Local Planning and Development Coordinator

**Instructions:**

1. The report shall be prepared by the LFC, in coordination with the Local Disaster Risk Reduction and Management Council and other local officials concerned (e.g., local accountant on the allotment, obligation and disbursements; local engineer on the status of infrastructure projects, as may be applicable).
2. The fund source shall be based on the NDAI issued to the LGU.
3. The type of program/project shall be identified consistent with the allowable P/A/Ps and expenses.
4. Amount received refers to the amount received by the LGU as its allocation. It is the amount indicated in the NDAI. Obligation refers to the total amount obligated by the LGU as of reporting period. Disbursement refers to the total amount paid by the LGU as of reporting period.
5. The status of programs/projects refers to the percentage of physical completion as of reporting period.