

## STRATEGIC OBJECTIVES

MANDATE : EO 127: Assist in the formulation and implementation of policies on local government revenue administration and fund management; Assist LGUs in the development and implementation of Real Property Tax Administration (RPTA) projects; Develop plans and programs for the improvement of tax collection enforcement mechanism and credit utilization schemes at the local levels; Exercise administrative and/or technical supervision over local treasury and assessment operations; Exercise line supervision over its regional offices and coordinate regional activities to maximize manpower and financial resources; and Perform such other appropriate functions as maybe assigned.

VISION : The focal agency and an authority in local finance that aims to be at the forefront of local economic growth leading the way towards national development.

MISSION : The focal agency and an authority in local finance that aims to be at the forefront of local economic growth leading the way towards national development.

KEY RESULT AREAS : Anti-Corruption/Transparent, Accountable and Participatory Governance

SECTOR OUTCOME : Fiscal Strength

ORGANIZATIONAL OUTCOME : 1. Fiscal Sustainability of LGUs strengthened

SECTION 1 : EXPENDITURE PROGRAM  
(in pesos)

No./ Code	GASS / STO / OPERATIONS / PROJECTS	2014 Actual	2015 Current	2016 Proposed
00001000000000	General Administration and Support	55,545,000	38,237,000	69,224,000
	PS	36,571,000	18,574,000	17,560,000
	MOOE	18,974,000	19,663,000	33,285,000
	CO			18,379,000
00000300000000	Operations	198,431,000	174,515,000	155,948,000
	PS	156,212,000	116,296,000	111,836,000
	MOOE	42,219,000	43,219,000	44,112,000
	CO		15,000,000	
TOTAL AGENCY BUDGET		253,976,000	212,752,000	225,172,000
	PS	192,783,000	134,870,000	129,396,000
	MOOE	61,193,000	62,882,000	77,397,000
	CO		15,000,000	18,379,000

## STAFFING SUMMARY

	2014	2015	2016
TOTAL STAFFING			
Total Number of Authorized Positions	440	440	440
Total Number of Filled Positions	274	274	274

## PROPOSED 2016

OPERATIONS BY MFO	PS	MOOE	CO	TOTAL
MFO 1: REGULATION OF LGU FINANCIAL MANAGEMENT	102,632,000	44,112,000		146,744,000

SECTION 2 : EXPENDITURE PROGRAM BY CENTRAL / REGIONAL ALLOCATION, 2016  
(in pesos)

REGION	PS	MOOE	CO	TOTAL
CENTRAL OFFICE	51,926,000	37,709,000	18,379,000	108,014,000
Regional Allocation (net of Central Office):	66,823,000	39,688,000		106,511,000
Region I - Ilocos	6,647,000	3,311,000		9,958,000
Cordillera Administrative Region (CAR)	3,821,000	3,325,000		7,146,000
Region II - Cagayan Valley	4,884,000	1,997,000		6,881,000
Region III - Central Luzon	6,476,000	2,235,000		8,711,000
Region IVA - CALABARZON	4,899,000	4,106,000		9,005,000
Region IVB - MIMAROPA		934,000		934,000
Region V - Bicol	4,765,000	2,912,000		7,677,000
Region VI - Western Visayas	4,203,000	2,349,000		6,552,000
Region VII - Central Visayas	4,013,000	3,253,000		7,266,000
Region VIII - Eastern Visayas	4,408,000	2,809,000		7,217,000
Region IX - Zamboanga Peninsula	3,862,000	2,602,000		6,464,000
Region X - Northern Mindanao	3,748,000	2,015,000		5,763,000
Region XI - Davao	4,680,000	2,676,000		7,356,000
Region XII - SOCCSKSARGEN	4,074,000	2,735,000		6,809,000
Region XIII - CARAGA	6,343,000	2,429,000		8,772,000
TOTAL AGENCY BUDGET	118,749,000	77,397,000	18,379,000	214,525,000

## SECTION 3 : SPECIAL PROVISION(S)

1. Assessment Loan Revolving Fund. The Assessment Loan Revolving Fund shall be used for interest-free lending purposes to provinces, cities and municipalities, tax-mapping projects, periodic revisions of assessments, and other real property assessment programs sourced from the unallocated surplus of internal revenue allotments in accordance with Section 94 of P.D. No. 464, as amended by P.D. No. 1002.

Disbursements or expenditures by the Bureau of Local Government Finance (BLGF) in violation of the above requirements shall be void and shall subject the erring officials and employees to disciplinary actions in accordance with Section 43, Chapter 5 and Section 80, Chapter 7, Book VI of E.O. No. 292, and to appropriate criminal action under existing penal laws.

The BLGF shall submit to the DBM, the House Committee on Appropriations and the Senate Committee on Finance, either in printed form or by way of electronic document, quarterly reports on income and expenditure. The Executive Director of BLGF and the Bureau's web administrator or his/her equivalent shall be responsible for ensuring that said quarterly reports are likewise posted on the BLGF website.

2. Appropriations for Programs and Specific Activities. The amounts appropriated herein for the programs of the agency shall be used specifically for the following activities in the indicated amounts and conditions:

**SECTION 4 : PERFORMANCE INFORMATION**

## KEY STRATEGIES :

Supervise local assessment and treasury operations through regular monitoring of fiscal and financial performance and compliance to rules, regulations and policies

Conduct capacity building seminars on strategies and best practices to improve LGU revenue generation and resource mobilization

Formulation of opinions, guidelines, rules and regulations on local taxation and tax administration, real property assessment, financial management, credit and other forms of indebtedness

Oversee the implementation of Special Projects.

<u>ORGANIZATIONAL OUTCOMES (OOs) / PERFORMANCE INDICATORS (PIs)</u>	<u>Baseline</u>	<u>2016 Targets</u>
<b>Fiscal Sustainability of LGUs strengthened</b>		
Ratio of LGU expenditures over total income	2012 : 0.75	Ratio is < or = 1
Percentage of total actual collections of LGUs from local taxes and other locally generated revenue sources versus targets	2012: 108.54% 2013: 84.33% (preliminary only since processing of SRE reports of LGUs for CY 2013 is still ongoing)	Collection efficiency is > or = 95%
Number of LGUs not exceeding 20% of their regular income for debt servicing (Sec. 324 (b) of RA 7160)	2013: 99.3% (Actual)	No. of LGUs is > or = 95% of the total number of provinces, cities and municipalities nationwide

<u>MFO / PIs</u>	<u>2016 Targets</u>
<b>MFO 1: REGULATION OF LGU FINANCIAL MANAGEMENT</b>	
Number of directives, guidance notes, policies and procedures issued	459
Number of compliance reviews carried out	2,763
% of LGUs that breach one or more of the rules, directives, guidelines, policies or procedures specified by BLGF	20%
% of LGUs over the last three years with two or more breaches on one or more of the rules, directives, guidelines, policies or procedures specified by BLGF	15%
% of LGUs subject to three or more compliance reviews in the last two years	10%

Appropriations/Obligations

(In Thousand Pesos)

<u>Description</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
New General Appropriations	188,829	200,861	214,525
General Fund		200,861	214,525
R.A. No. 10633	188,829		
Automatic Appropriations	11,794	11,891	10,647
Retirement and Life Insurance Premiums	11,794	11,891	10,647

Continuing Appropriations	144	5,686	
Unobligated Releases for Capital Outlays R.A. No. 10633		5,000	
Unobligated Releases for MOOE R.A. No. 10352	144		
R.A. No. 10633		686	
Budgetary Adjustment(s)	62,106		
Transfer(s) from:			
Miscellaneous Personnel Benefits Fund	4,622		
Pension and Gratuity Fund	57,484		
Total Available Appropriations	262,873	218,438	225,172
Unused Appropriations	( 8,897)	( 5,686)	
Unobligated Allotment	( 8,897)	( 5,686)	
TOTAL OBLIGATIONS	253,976	212,752	225,172
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Proposed New Appropriations Language  
 For general administration and support, and operations, as indicated hereunder.....P 214,525,000  
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New Appropriations, by Programs/Activities/Projects, by Operating Units

	<u>Current Operating Expenditures</u>			
	<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
PROGRAMS				
0000010000000000 General Administration and Support	16,117,000	33,285,000	18,379,000	67,781,000
1030010001000000 General management and supervision	P 16,117,000	P 33,285,000	P 18,379,000	P 67,781,000
National Capital Region (NCR)	14,844,000	33,285,000	18,379,000	66,508,000
Central Office	14,844,000	33,285,000	18,379,000	66,508,000
Region III - Central Luzon	1,273,000			1,273,000
Regional Office - III	1,273,000			1,273,000
Sub-total, General Administration and Support	16,117,000	33,285,000	18,379,000	67,781,000
0000030000000000 Operations	102,632,000	44,112,000		146,744,000
0000030100000000 MFO 1: REGULATION OF LGU FINANCIAL MANAGEMENT	102,632,000	44,112,000		146,744,000
0000030101000000 Local Government Finance Policy Formulation, Monitoring and Evaluation	102,632,000	44,112,000		146,744,000
1010030101000001 Development of LGU treasury and assessment operating policies, guidelines, systems and procedures including the promulgation of rulings/opinions for the proper implementation thereof	8,082,000	1,572,000		9,654,000
National Capital Region (NCR)	8,082,000	1,572,000		9,654,000
Central Office	8,082,000	1,572,000		9,654,000

101003010100002	Conduct of revenue and assessment performance evaluation	<u>4,667,000</u>	<u>1,289,000</u>	<u>5,956,000</u>
	National Capital Region (NCR)	<u>4,667,000</u>	<u>1,289,000</u>	<u>5,956,000</u>
	Central Office	4,667,000	1,289,000	5,956,000
101003010100003	Management, evaluation and monitoring of special projects on local government finance	<u>5,124,000</u>	<u>1,563,000</u>	<u>6,687,000</u>
	National Capital Region (NCR)	<u>5,124,000</u>	<u>1,563,000</u>	<u>6,687,000</u>
	Central Office	5,124,000	1,563,000	6,687,000
101003010100004	LGU training on policies, procedures and other competency requirements of local treasurers and assessors	<u>84,759,000</u>	<u>39,688,000</u>	<u>124,447,000</u>
	National Capital Region (NCR)	<u>19,209,000</u>		<u>19,209,000</u>
	Central Office	19,209,000		19,209,000
	Region I - Ilocos	<u>6,647,000</u>	<u>3,311,000</u>	<u>9,958,000</u>
	Regional Office - I	6,647,000	3,311,000	9,958,000
	Cordillera Administrative Region (CAR)	<u>3,821,000</u>	<u>3,325,000</u>	<u>7,146,000</u>
	Regional Office - CAR	3,821,000	3,325,000	7,146,000
	Region II - Cagayan Valley	<u>4,884,000</u>	<u>1,997,000</u>	<u>6,881,000</u>
	Regional Office - II	4,884,000	1,997,000	6,881,000
	Region III - Central Luzon	<u>5,203,000</u>	<u>2,235,000</u>	<u>7,438,000</u>
	Regional Office - III	5,203,000	2,235,000	7,438,000
	Region IVA - CALABARZON	<u>4,899,000</u>	<u>5,040,000</u>	<u>9,939,000</u>
	Regional Office - IVA	4,899,000	4,106,000	9,005,000
	Regional Office - IVB		934,000	934,000
	Region V - Bicol	<u>4,765,000</u>	<u>2,912,000</u>	<u>7,677,000</u>
	Regional Office - V	4,765,000	2,912,000	7,677,000
	Region VI - Western Visayas	<u>4,203,000</u>	<u>2,349,000</u>	<u>6,552,000</u>
	Regional Office - VI	4,203,000	2,349,000	6,552,000
	Region VII - Central Visayas	<u>4,013,000</u>	<u>3,253,000</u>	<u>7,266,000</u>
	Regional Office - VII	4,013,000	3,253,000	7,266,000
	Region VIII - Eastern Visayas	<u>4,408,000</u>	<u>2,809,000</u>	<u>7,217,000</u>
	Regional Office - VIII	4,408,000	2,809,000	7,217,000
	Region IX - Zamboanga Peninsula	<u>3,862,000</u>	<u>2,602,000</u>	<u>6,464,000</u>
	Regional Office - IX	3,862,000	2,602,000	6,464,000
	Region X - Northern Mindanao	<u>3,748,000</u>	<u>2,015,000</u>	<u>5,763,000</u>
	Regional Office - X	3,748,000	2,015,000	5,763,000

Region XI - Davao	<u>4,680,000</u>	<u>2,676,000</u>	<u>7,356,000</u>
Regional Office - XI	4,680,000	2,676,000	7,356,000
Region XII - SOCCSKSARGEN	<u>4,074,000</u>	<u>2,735,000</u>	<u>6,809,000</u>
Regional Office - XII	4,074,000	2,735,000	6,809,000
Region XIII - CARAGA	<u>6,343,000</u>	<u>2,429,000</u>	<u>8,772,000</u>
Regional Office - XIII	6,343,000	2,429,000	8,772,000
Sub-total, Operations	102,632,000	44,112,000	146,744,000
TOTAL NEW APPROPRIATIONS	P 118,749,000 P	77,397,000 P	18,379,000 P 214,525,000
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### Obligations, by Object of Expenditures

CYs 2014-2016  
(In Thousand Pesos)

	<u>2014</u>	<u>2015</u>	<u>2016</u>
Current Operating Expenditures			
Personnel Services			
Civilian Personnel			
Permanent Positions			
Basic Salary	93,381	99,112	88,722
Total Permanent Positions	<u>93,381</u>	<u>99,112</u>	<u>88,722</u>
Other Compensation Common to All			
Personnel Economic Relief Allowance	6,674	7,296	6,576
Representation Allowance	2,367	1,374	1,314
Transportation Allowance	1,678	1,374	1,314
Clothing and Uniform Allowance	1,348	1,520	1,370
Productivity Incentive Allowance	578	608	
Honoraria	75		
Year End Bonus	6,720	8,259	7,393
Cash Gift	1,160	1,520	1,370
Step Increment		246	429
Productivity Enhancement Incentive	1,205		1,370
Performance Based Bonus	3,418		
Total Other Compensation Common to All	<u>25,223</u>	<u>22,197</u>	<u>21,136</u>
Other Compensation for Specific Groups			
Longevity Pay	96		265
Other Personnel Benefits	5,781		
Total Other Compensation for Specific Groups	<u>5,877</u>		<u>265</u>
Other Benefits			
Retirement and Life Insurance Premiums	9,323	11,891	10,647
PAG-IBIG Contributions	295	365	329
PhilHealth Contributions	906	940	844
Employees Compensation Insurance Premiums	296	365	328
Retirement Gratuity	40,079		5,772
Terminal Leave	17,403		1,353
Total Other Benefits	<u>68,302</u>	<u>13,561</u>	<u>19,273</u>
TOTAL PERSONNEL SERVICES	<u>192,783</u>	<u>134,870</u>	<u>129,396</u>
Maintenance and Other Operating Expenses			
Travelling Expenses	10,998	11,699	12,013
Training and Scholarship Expenses	10,536	12,727	20,697
Supplies and Materials Expenses	6,120	5,826	6,596
Utility Expenses	4,701	5,859	5,859
Communication Expenses	4,599	3,978	4,173
Awards/Rewards and Prizes		165	165

Confidential, Intelligence and Extraordinary Expenses			
Extraordinary and Miscellaneous Expenses	1,606	1,830	1,830
Professional Services	777	2,911	7,378
General Services	3,631	3,500	3,825
Repairs and Maintenance	1,867	2,074	2,109
Taxes, Insurance Premiums and Other Fees	548	1,154	1,154
Other Maintenance and Operating Expenses			
Advertising Expenses	735	2,057	2,057
Printing and Publication Expenses	369		
Transportation and Delivery Expenses	8		
Rent/Lease Expenses	7,506	9,102	9,541
Subscription Expenses	101		
Other Maintenance and Operating Expenses	7,091		
TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES	<u>61,193</u>	<u>62,882</u>	<u>77,397</u>
TOTAL CURRENT OPERATING EXPENDITURES	<u>253,976</u>	<u>197,752</u>	<u>206,793</u>
Capital Outlays			
Property, Plant and Equipment Outlay			
Buildings and Other Structures		15,000	
Machinery and Equipment Outlay			7,265
Intangible Assets Outlay			11,114
TOTAL CAPITAL OUTLAYS	<u></u>	<u>15,000</u>	<u>18,379</u>
GRAND TOTAL	<u>253,976</u>	<u>212,752</u>	<u>225,172</u>