



Republic of the Philippines  
DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT  
DILG-NAPOLCOM Center, EDSA corner Quezon Avenue, West Triangle, Quezon City  
<http://www.dilg.gov.ph>



**MEMORANDUM CIRCULAR**

No. 2019- 144

**TO : ALL CONCERNED PROVINCIAL GOVERNORS, MUNICIPAL MAYORS, DILG REGIONAL/PROVINCIAL DIRECTORS AND OTHERS CONCERNED**

**SUBJECT : GUIDANCE on the NON-IMPLEMENTATION or the SUBSEQUENT NON-IMPLEMENTABILITY of FY 2016 BOTTOM-UP BUDGETING-LOCAL GOVERNMENT SUPPORT FUND (BuB-LGSF) PROJECTS RELEASED to PROVINCES and REVERSION of UNUTILIZED BALANCES of the SAME FUNDS to the BUREAU of the TREASURY (BTr)**

**DATE :** 28 AUG 2019

**1.0 BACKGROUND**

In 2016, the Department of Budget and Management (DBM) thru the Bureau of the Treasury (BTr), upon request of the DILG, released a total of **Php1,323,335,121.38** for 529 sub-projects allocated for 153 cities/municipalities to the respective 43 provincial local government units (PLGUs) as part of the FY 2016 BuB-LGSF, pursuant to Section 5.6.3<sup>1</sup> of *DBM-DILG-DSWD-NAPC Joint Memorandum Circular No. 7, s. 2015*.

Subsequently, in a letter addressed to DBM dated March 12, 2019, the DILG sought guidance if it has the authority to direct local PLGUs to cancel/terminate projects that have remained unimplemented under the FY 2016 BuB-LGSF. Related to this, the DBM wrote the Commission on Audit (COA) on April 8, 2019 requesting the Commission's opinion on the matter.

In its letter-reply to the DBM dated May 9, 2019, the COA, thru the Local Government Sector under the Office of Assistant Commissioner Joseph B. Anacay, provided/rendered an opinion pertaining to the return of funds to the BTr for sub-projects that remain unimplemented and have become unimplementable.

The DBM, in its letter to the DILG dated May 27, 2019, recommended the adoption of the said COA opinion.

**2.0 PURPOSE**

This Memorandum Circular is issued to direct Provincial Government units concerned to fast-track the completion of projects that have already been started to date; expedite the payments for obligations to suppliers/contractors that are already due and

demandable; reversion of the unexpended balances of projects that were completed, and the reversion of unexpended allocations for projects that have not been started.

### 3.0 REPORTING

3.1 All concerned Provincial Local Government Units (PLGUs) shall submit a Fund Utilization Report certified by the Provincial Accountant using the template attached hereto as Annex A.

3.2 The above report shall be submitted to DILG Provincial Office and consolidated by the Regional Office before its submission to the Central Office, attention the Undersecretary for Local Government not later than September 15, 2019.

### 4.0 EFFECTIVITY

This Memorandum Circular shall take effect immediately.

  
EDUARDO M. AÑO  
Secretary



DILG-09EC 11052018-08884

## ANNEX A

REPUBLIC OF THE PHILIPPINES  
**REGION** \_\_\_\_\_  
**PROVINCE OF** \_\_\_\_\_

**REPORT OF TRUST FUND UTILIZATION**  
 FY2016 BuB – Local Government Support Fund

RECEIPTS: \_\_\_\_\_ PhP \_\_\_\_\_

Less: DISBURSEMENTS \_\_\_\_\_ PhP \_\_\_\_\_

Total DISBURSEMENT/S \_\_\_\_\_ PhP \_\_\_\_\_

BALANCE: \_\_\_\_\_ PhP \_\_\_\_\_

REGION	PROVINCE	CITY/ MUNICIPALITY	NAME OF PROJECT (PER LPRAP)	BUDGET ALLOCATION	STATUS	UNEXPENDED BALANCE	EXPECTED TIME OF COMPLETION
<b>TOTAL</b>							

CERTIFIED BY: \_\_\_\_\_  
**Provincial Accountant**

Date: \_\_\_\_\_

NOTED BY: \_\_\_\_\_  
**Provincial Governor**

Date: \_\_\_\_\_

**NOTE:**

1. This Report shall be submitted to the DILG Provincial Office not later than August 31, 2019.
2. Submission to the DILG Regional should not be later than September 7, 2019.
3. Submission to the DILG Central Office attention the Undersecretary for Local Government should not be later than September 15, 2019.
4. Report consolidation shall be done by SLGP-PMO not later than September 21, 2019.