



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

LOCAL BUDGET CIRCULAR

No. **126**

Date: April 13, 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 : **GUIDELINES ON THE RELEASE AND UTILIZATION OF THE BAYANIHAN GRANT TO PROVINCES**

1.0 LEGAL BASIS

Section 4 of Republic Act (RA) No. 11469 (the *Bayanihan to Heal as One Act*) granted the President the power to adopt various temporary emergency measures to respond to crisis brought about by the Coronavirus Disease 2019 (COVID-19) pandemic.

Under Section 4 (g) thereof, the President is empowered to ensure that all local government units (LGUs) are acting within the letter and spirit of all the rules, regulations and directives issued by the National Government pursuant to the said law, and are implementing standards of Community Quarantine consistent with what the National Government has laid down for the subject area, while allowing the LGUs to continue exercising their autonomy on matters undefined by the National Government or are within the parameters it has set, and are fully cooperating towards a unified, cohesive and orderly implementation of the national policy to address COVID-19.

Further, Section 4 (v) of the same law provides:

"Section 4. Authorized Powers. - Pursuant to Article VI, Section 23 (2) of the Constitution, the President is hereby authorized to exercise powers that are necessary and proper to carry out the declared national policy. The President shall have the power to adopt the following temporary emergency measures to respond to crisis brought by the pandemic:

xxx

(v) Notwithstanding any law to the contrary, direct the discontinuance of appropriated programs, projects or activities (P/A/P) of any agency of the Executive Department, including government-owned or -controlled corporations (GOCC), in the FYs 2019 and 2020 General Appropriations

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MARISSA A. SANTOS
Chief Administrative Officer
CENTRAL RECORDS DIVISION

Act (GAA), whether released or unreleased, the allotments for which remain unobligated, and utilize the savings generated therefrom to augment the allocation for any item directly related to support operations and response measures, which are necessary or beneficial in order to address the COVID-19 emergency, consistent with the herein declared national policy: *Provided, however,* That the following items in the budget shall be prioritized for augmentation:

xxx

(9) Under allocations to local government units;

xxx

- (x) Notwithstanding any law to the contrary, reprogram, reallocate, and realign from savings on other items of appropriations in the FY 2020 GAA in the Executive Department, as may be necessary and beneficial to fund measures that address and respond to the COVID-19 emergency, including social amelioration for affected communities, and the recovery of areas, sectors and industries severely affected. All amounts so reprogrammed, reallocated or realigned shall be deemed automatically appropriated for such measures to address the COVID-19 situation within the period specified under Section 9 hereof."

2.0 PURPOSE

This Circular is being issued to prescribe the guidelines and procedures on the release and utilization of the "Bayanihan Grant to Provinces," hereinafter referred to as BGP for brevity.

3.0 GUIDELINES

- 3.1 The BGP shall be released to all provinces to be used as augmentation to the funding requirements for the operation of provincial, district, and other local hospitals operated by the provincial government, and maintenance of duly established provincial checkpoints related to COVID-19, in support to the ongoing efforts of the Government to respond to the crisis brought about by the COVID-19 pandemic.
- 3.2 The grant shall be equivalent to one half (1/2) of the one-month FY 2020 Internal Revenue Allotment share of the provinces. The allocation for each province are provided in Annex A hereof.
- 3.3 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 the Department of Finance-DBM Joint Circular No. 2016-1 dated January 4, 2016.¹

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



- 3.4 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 provinces of their released allocations through the issuance of Notices of ADA Issued.
- 3.5 The BGP shall be exclusively used by the provinces for the following:
- 3.5.1 To augment the funding requirements for the operation of provincial, district, and other local hospitals operated by the provincial government, for COVID-19-related P/A/Ps and expenses, specifically the following:
- 3.5.1.1 Procurement of personal protective equipment;
 - 3.5.1.2 Procurement of equipment, reagents, and kits for COVID-19 testing;
 - 3.5.1.3 Procurement of medicines and vitamins;
 - 3.5.1.4 Procurement of hospital equipment and supplies;
 - 3.5.1.5 Procurement of disinfectants, sprayers, and other disinfecting supplies and misting equipment;
 - 3.5.1.6 Food, transportation (including fuel), and accommodation expenses of medical/health workers and other personnel of the provincial, district, and other local hospitals operated by the provincial government;
 - 3.5.1.7 Expenses for the construction/repair/lease/rental of additional space/building to accommodate COVID-19 patients and persons under monitoring/investigation;
 - 3.5.1.8 Expenses for training of medical/health personnel of the provincial, district, and other local hospitals operated by the provincial government relative to the conduct of COVID-19 testing and other related trainings; and
 - 3.5.1.9 Other necessary COVID-19-related P/A/Ps and expenses of the provincial, district, and other local hospitals operated by the provincial government; and
- 3.5.2 Operation and maintenance of duly established provincial checkpoints related to COVID-19, such as provision of foods, medicines/vitamins, personal protective equipment, and disinfecting supplies for the exclusive use of provincial government employees and personnel concerned, including those hired under Contract of Service and Job Order schemes.

It is understood that the use of the BGP for this purpose shall augment, and not duplicate, the funds allocated for National Government agencies like the Philippine National Police and the Armed Forces of the Philippines, among others.



- 3.6 Except for the allowable COVID-19-related P/A/Ps and expenses enumerated in item 3.5 above, the BGP shall not be allowed to be used for the following:
- 3.6.1 Any form of financial/cash assistance;
 - 3.6.2 Personal Services expenditures, such as salaries, wages, overtime pay, and other personnel benefits, including Hazard Pay and Special Risk Allowance;
 - 3.6.3 Administrative expenses, such as office supplies, meetings, communication, water and electricity, petroleum products, other general services, and the like;
 - 3.6.4 Traveling expenses, whether domestic or foreign;
 - 3.6.5 Registration or participation fees in training, seminars, conferences or conventions;
 - 3.6.6 Purchase of administrative office' furniture, fixtures, equipment or appliances;
 - 3.6.7 Purchase, maintenance, or repair of motor vehicles, including ambulance; and
 - 3.6.8 Other P/A/Ps and expenses not related to COVID-19.
- 3.7 The utilization of the BGP shall be subject to the usual local budgeting process pursuant to the pertinent provisions of the Local Government Code of 1991 (RA No. 7160).

For easy monitoring/tracking of the utilization of the allocation of each province, a special account in the general fund (SAGF) for the BGP shall be created through an ordinance by the provincial sanggunian pursuant to Section 313 of RA No. 7160. The creation of an SAGF for the BGP may also be done by the provincial sanggunian through inclusion in the pertinent appropriation ordinance authorizing a supplemental budget covering the BGP.

It is understood that the provisional guidelines on the preparation and approval of the annual/supplemental investment programs prescribed under Department of the Interior and Local Government-DBM Joint Memorandum Circular No. 02 dated March 30, 2020² shall also apply to the BGP.

- 3.8 The fund may be utilized by the provinces for the duration of the State of Calamity as declared by the President by virtue of Proclamation No. 929 dated March 16, 2020.



² Provisional Guidelines on the Preparation and Approval of the Annual Investment Programs of Local Government Units in View of the Coronavirus Disease 2019 (Covid-19) Situation

- 3.9 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 provinces.

For this purpose, unutilized funds refer to the balances of the amount received from the BGP, which were not disbursed by the recipient province.

- 3.10 Disbursements and utilization of the BGP shall be subject to the pertinent provisions of the Government Procurement Reform Act (RA No. 9184) and its Revised Implementing Rules and Regulations (IRR), and any relevant policies issued by the Government Procurement Policy Board (GPPB), as well as other applicable laws, and budgeting, accounting, and auditing rules and regulations.

4.0 POSTING AND REPORTING REQUIREMENTS

The beneficiary provinces shall:

- 4.1 Comply with the posting requirements prescribed under RA No. 9184 and its 2016 Revised IRR, and all relevant policies issued by the GPPB;
- 4.2 Prepare a monthly report on fund utilization and status of implementation of P/A/Ps using the prescribed format (Annex B);
- 4.3 Post the accumulated reports on the LGU's website and in at least three (3) conspicuous public places in the locality at the end of every month; and
- 4.4 The local chief executive (LCE) of the implementing province shall send a written notice when said reports have been posted on its website to the DBM, House of Representatives, Senate of the Philippines, House Committee on Appropriations, Senate Committee on Finance, 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 programs, projects, and activities and proper utilization and disbursement of the BGP 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 provinces are utilized strictly in accordance with applicable budgeting, accounting, and auditing rules and regulations, and pertinent provisions of RA No. 9184 and its Revised IRR.

6.0 ITEMS FOR RESOLUTION

Interpretation of the provisions of this Circular, including relevant items not covered herein, shall be referred to the 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.


WENDEL E. AVISADO
Secretary



ALLOCATION FROM THE BAYANIHAN GRANT TO PROVINCES

NAME OF PROVINCES	AMOUNT (Php)
CORDILLERA ADMINISTRATIVE REGION (CAR)	
Abra	48,574,326
Benguet	49,879,367
Ifugao	39,554,521
Kalinga	42,826,542
Apayao	44,468,749
Mt. Province	35,393,993
TOTAL, CAR	260,697,498
REGION I	
Ilocos Norte	59,214,123
Ilocos Sur	58,705,351
La Union	57,334,128
Pangasinan	162,233,926
TOTAL, REGION I	337,487,528
REGION II	
Batanes	20,689,744
Cagayan	110,914,421
Isabela	136,776,550
Nueva Vizcaya	57,808,399
Quirino	43,104,788
TOTAL, REGION II	369,293,902
REGION III	
Aurora	42,491,323
Bataan	55,678,468
Bulacan	162,748,447
Nueva Ecija	131,738,567
Pampanga	115,597,519
Tarlac	86,195,802
Zambales	59,245,469
TOTAL, REGION III	653,695,595
REGION IV-A	
Batangas	140,694,668
Cavite	172,033,080
Laguna	148,014,695
Quezon	134,826,580

NAME OF PROVINCES	AMOUNT (Php)
Rizal	138,939,051
TOTAL, REGION IV-A	734,508,074
REGION IV-B	
Marinduque	32,808,784
ccidental Mindoro	66,303,269
Oriental Mindoro	72,671,967
Palawan	122,614,990
Romblon	37,893,321
TOTAL, REGION IV-B	332,292,331
REGION V	
Albay	83,349,477
Camarines Norte	53,170,483
Camarines Sur	114,309,591
Catanduanes	36,434,520
Masbate	74,174,839
Sorsogon	60,522,484
TOTAL, REGION V	421,961,394
REGION VI	
Aklan	50,452,105
Antique	55,072,912
Capiz	61,542,678
Guimaras	28,771,128
Iloilo	118,807,211
Negros Occidental	155,247,332
TOTAL, REGION VI	469,893,366
REGION VII	
Bohol	94,070,863
Cebu	159,055,141
Negros Oriental	98,410,460
Siquijor	24,377,712
TOTAL, REGION VII	375,914,176
REGION VIII	
Biliran	28,324,666
Eastern Samar	59,649,208
Leyte	106,043,389
Northern Samar	61,673,308
Southern Leyte	44,266,974

NAME OF PROVINCES	AMOUNT (Php)
Samar (Western Samar)	78,794,584
TOTAL, REGION VIII	378,752,129
REGION IX	
Zamboanga del Norte	93,935,198
Zamboanga del Sur	80,525,484
Zamboanga Sibugay	61,296,195
TOTAL, REGION IX	235,756,877
REGION X	
Bukidnon	125,220,588
Camiguin	23,604,649
Lanao del Norte	60,163,452
Misamis Occidental	52,651,420
Misamis Oriental	69,010,990
TOTAL, REGION X	330,651,099
REGION XI	
Davao del Norte	75,627,217
Davao de Oro (Compostela Valley)	69,544,500
Davao del Sur	54,390,984
Davao Occidental	41,327,787
Davao Oriental	68,205,631
TOTAL, REGION XI	309,096,119
REGION XII	
North Cotabato	116,698,482
Sarangani	57,741,417
South Cotabato	74,051,810
Sultan Kudarat	76,242,830
TOTAL, REGION XII	324,734,539
REGION, XIII	
Agusan del Norte	46,056,996
Agusan del Sur	94,455,333
Surigao del Sur	65,967,829
Surigao del Norte	47,617,664
Dinagat Islands	28,951,533
TOTAL, REGION XIII	283,049,355

NAME OF PROVINCES	AMOUNT (Php)
BANGSAMORO AUTONOMOUS REGION IN MUSLIM MINDANAO (BARMM)	
Basilan	47,767,193
Sulu	61,860,250
Tawi-Tawi	50,818,686
Lanao del Sur	117,976,609
Maguindanao	101,081,053
TOTAL, BARMM	379,503,791
GRAND TOTAL	6,197,287,773

BAYANIHAN GRANT TO PROVINCES
Report on Fund Utilization and Status of Program/Project/Activity Implementation
For the Month of _____

Fund Source	Date of Notice of Authority to Debit Account Issued (NADAI)	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

Local Planning and Development Coordinator

Instructions:

1. The report shall be prepared by the LFC, in coordination with the 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 NADAI issued to the province.
3. The type of program/project shall be identified consistent with the allowable P/A/Ps and expenses under the Circular.
4. Amount received refers to the amount received by the province as its allocation. It is the amount indicated in the NADAI. Obligation refers to the total amount obligated by the province as of reporting period. Disbursement refers to the total amount paid by the province as of reporting period.
5. The status of programs/projects refers to the percentage of physical completion as of reporting period.