



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
DEPARTMENT OF INTERIOR AND LOCAL GOVERNMENT

JOINT MEMORANDUM CIRCULAR NO. 3

Date: September 16, 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 : **CLARIFICATION ON THE UTILIZATION AND REVERSION OF FUNDS CHARGEABLE AGAINST THE FY 2018 LOCAL GOVERNMENT SUPPORT FUND (LGSF) - ASSISTANCE TO MUNICIPALITIES (AM), CONDITIONAL MATCHING GRANT TO PROVINCES (CMGP), AND SAGANA AT LIGTAS NA TUBIG PARA SA LAHAT (SALINTUBIG)**

1.0 BACKGROUND

Special Provision (SP) No. 7 of the FY 2018 Local Government Support Fund stipulates that:

xxx

"The amount released to the LGUs shall be recorded as trust funds to be used for the specified purpose. Funds which remain unutilized as of December 31, 2019 shall be reverted to the National Treasury."

2.0 PURPOSE

This Circular is being issued to clarify the guidelines on utilization and reversion of funds charged against the FY 2018 LGSF-AM, CMGP, and SALINTUBIG.

3.0 GUIDELINES

3.1 To ensure the completion and payment of projects **covered by contracts already awarded** by the beneficiary-LGUs of FY 2018 LGSF-AM, CMGP, and SALINTUBIG, while complying with the pertinent provisions of existing laws, rules and regulations concerning financial subsidy to LGUs, concerned LGUs are hereby required to immediately revert the **unobligated balances from the financial subsidy as of December 31, 2019**, to the National Treasury.

CERTIFIED TRUE COPY


MARISSA A. SANTOS
Chief Administrative Officer
CENTRAL RECORDS DIVISION

3.2 Concerned LGUs are requested to submit the following documents to the Department of Interior and Local Government (DILG), to wit:

3.2.1 Certification attesting that the unobligated balances were reverted to the National Treasury signed by the Local Chief Executive (LCE)/Local Accountant, together with a copy of the disbursement voucher/check or official receipt issued by the National Treasury;

3.2.2 Certification signed by the LCE and the LGU Accountant attesting that: (i) the project/s is/are already awarded before December 31, 2019 and the implementation is ongoing and will be completed on a specific date; and (ii) the funds received from the LGSF-AM, CMGP, or SALINTUBIG will be disbursed to the concerned contractor according to the approved payment/progress billing schedule.

3.3 Funds that remain unutilized by the completion date provided in the certification signed by the LCE and LGU Accountant or December 31, 2020, whichever comes first, shall be reverted to the National Treasury.

4.0 **ITEMS FOR RESOLUTION**

Interpretation of the provisions of this Circular, including relevant items not covered herein, shall be referred to the DILG and the DBM for resolution.

5.0 **SEPARABILITY**

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

6.0 **REPEALING CLAUSE**

All other provisions of existing issuances shall remain in full force and effect.

7.0 **EFFECTIVITY**

This Circular shall take effect immediately upon publication in a newspaper of general circulation in the Philippines.


WENDEL E. AVISADO
Secretary, DBM




EDUARDO M. AÑO
Secretary, DILG

