



Republic of the Philippines
DEPARTMENT OF FINANCE
BUREAU OF LOCAL GOVERNMENT FINANCE
8th Floor EDPC Building, BSP Complex, Roxas Boulevard, 1004 Manila
www.blgf.gov.ph | blgf@blgf.gov.ph | +63 2 8527 2780 / 8527 2790

MEMORANDUM CIRCULAR NO. 001.2021

22 JAN 2021

TO : All BLGF Central and Regional Directors; All Provincial, City and Municipal Treasurers and Assistant Treasurers; and Others Concerned

SUBJECT : Proper Filling Up and Review of the Statement of Financial Operations Module in the LGU Integrated Financial Tools (LIFT) System

Pursuant to BLGF Memorandum Circular No. 08-01-2017¹ dated 31 August 2017, the Statement of Financial Operations (SFO) Module of the LGU Integrated Financial Tools (LIFT) System shall be accomplished by the local treasurers upon submission of the quarterly Statement of Receipts and Expenditures (SRE) report.

In accordance with Section 313² of Republic Act No. 7160, or the Local Government Code (LGC) of 1991, the profits or income derived from the operations of a local economic enterprise (LEE) shall first be used to defray the cost of improvement, repair, and other related expenses, and subsequently for paying back the advances given to the LEE. Hence, the SFO Module, which provides information on the LEE's financial operations, shall be properly accomplished and reviewed by local treasurers and the concerned BLGF officers to ensure that the net business income component of the receipts from economic enterprise of an LGU is accurately disclosed, submitted and captured in the SRE report.

All BLGF Central and Regional Directors are hereby instructed to immediately disseminate this Circular, to monitor the strict compliance of all LGUs within their respective jurisdictions, and to provide the necessary technical assistance on the herein directives.

All concerned shall be guided accordingly.




NIÑO RAYMOND B. ALVINA
Executive Director

¹ Adoption of the LGU Integrated Financial Tools (LIFT) System for the Submission of the electronic Statement of Receipts and Expenditures (eSRE) Report

² Profit or income derived from the operation of public utilities and other economic enterprises, after deduction for the cost of improvement, repair and other related expenses of the public utility or economic enterprise concerned, shall first be applied for the return of the advances or loans made therefor. Any excess shall form part of the general fund of the local government unit concerned.

