

Template Letter of Local Treasurer if Loan is Disapproved/Not Pursued

_____ Date _____

Hon. JOCELYN T. PENDON

OIC-Executive Director
Bureau of Local Government Finance
Department of Finance
8th floor, EDPC Bldg., BSP Complex,
Roxas Blvd., Malate, Manila

Dear **Director Pendon**:

This refers to the loan application of this LGU Type with the Name of Financing Institution, with corresponding Certificate of Net Debt Service Ceiling (NDSC) and Net Borrowing Capacity (NBC) issued by that Office, which contains the following information:

Certificate No.:	
Date Issued :	
Amount of NDSC:	Php
Amount of NBC:	Php
Purpose of Loan:	

In connection therewith, please be informed that the said loan was state if the loan was disapproved or was not pursued by the LGU, and state the reason/s.

For your information.

Very truly yours,

Provincial/City/Municipal Treasurer

Date _____

Hon. _____

Dear **Mayor/Governor** _____:

This is to acknowledge receipt of your letter dated _____ Date _____ requesting for the issuance of a Certificate of Debt Service and Net Borrowing Capacity of the _____ (LGU Name) _____ for its loan application with the Name of Financing Institution, for the (state purpose of the loan).

Rest assured that this Office will take appropriate action on your request within the reglementary period.

Thank you.

Very truly yours,

Regional Director

REQUIREMENTS	INSTRUCTIONAL PROCEDURES FOR BLGF EVALUATOR
<p>1. Letter request from the Local Chief Executive indicating:</p> <ul style="list-style-type: none"> ✓ The lending institutions where the LGU is applying for a loan ✓ Terms and condition of the proposed loan ✓ The purpose of the loan 	<p>STEP 1. Validate the application letter of the Local Chief Executive (LCE) and check compliance using Attachment A - BLGF Checklist of Requirements for the Certification NDSC and NBC.</p> <p>Note: Please see LGU Template A - Sample LCE Letter of Application.</p> <p>Determine if the request contains the following:</p> <ol style="list-style-type: none"> 1. Specific name of lending institution where to apply for a loan. 2. Offer sheet/letter of the lending institution/bank wherein the interest rate and repayment period was indicated or the Terms and condition of the proposed loan. 3. Specific name of project/projects to be undertaken out of the proposed loan. <p>STEP 2. If any of the above stated requirements is not present, request the LCE to comply with the requirement No. 1, (see Attachment B - Notice of Deficiency in Documentary Requirements OR Attachment C - Notice of Return of Letter Request Without Action, whichever is applicable.)</p> <p>END OF PROCESS</p>
<p>2. Statement of Receipts and Expenditures for the past three (3) years uploaded and approved by the BLGF Central Office</p>	<p>STEP 1. Validate from the BLGF eSRE Web Information System (http://esrev2.blgf.gov.ph/) the uploaded and approved (by the BLGF Central Office) Statement of Receipts and Expenditures of the LGU for the last three (3) years.</p> <p>STEP 2. If eSRE reports are for provincial review or for BLGF Central Office review and approval call the attention of the concerned eSRE focal person through any fastest means of communication available, e.g. telephone, text message, etc.</p> <p>STEP 3. If there are no/Deficiency in uploaded eSRE reports for the past three (3) years, call the attention of the LCE (see Attachment B - Notice of Deficiency in Documentary Requirements).</p> <p>END OF PROCESS.</p>
<p>3. Certification of existing/absence of loan/loans duly certified by the Local Treasurer with the following details:</p> <ul style="list-style-type: none"> ✓ Types of loans and other obligations contracted ✓ Purpose of loan and 	<p>STEP 1. Evaluate the certification on existence/absence of loan/s duly certified by the Local Treasurer as to the following details:</p> <ul style="list-style-type: none"> - Types of loans & other obligations contracted - Purpose of loan & other obligations contracted - Name of lending institutions - Date of approval & maturity - Terms and conditions (interest rate & number of years to pay)

REQUIREMENTS	INSTRUCTIONAL PROCEDURES FOR BLGF EVALUATOR
<p>other obligations contracted</p> <ul style="list-style-type: none"> ✓ Name of lending institutions ✓ Date of approval and maturity ✓ Terms and conditions (interest rate and number of years to pay) ✓ Remaining balances of loans and other obligations ✓ Annual amortization schedules (segregating the principal from the interest) issued by the lending institution 	<p>– Remaining balances of loans and other obligations</p> <p>Note: Please see LGU Template B - <u>Sample Certification of Local Treasurer on Existing Loans/Absence of Loans.</u></p> <p>STEP 2. Validate the annual amortization schedule issued by the lending institution as to segregation of principal from the interest. Each loan of the LGU should have an individual annual amortization schedule issued by the lending institution. If not, emphasize in the letter to LCE (see Attachment B - <u>Notice of Deficiency in Documentary Requirements.</u>)</p> <p>END OF PROCESS</p>
<p>4. Commission on Audit (COA) Annual Audit Certificate for the past three (3) years showing no adverse findings against the LGU, which is supported by the following year-end financial reports:</p> <ul style="list-style-type: none"> ✓ Pre-closing Trial Balance (General Fund) ✓ Balance Sheet (General Fund); and ✓ Statement of Income and expenses 	<p>STEP 1. Evaluate the COA Audit Certificates for the last three (3) years, and determine if there are adverse findings. If the Audit Certificate of the immediate preceding year is not yet available, require the submission of year-end financial reports bearing the stamp received by COA.</p> <p>STEP 2. If there were adverse findings and recommendations made by the Auditor, the LGU should submit the action plan as to the level of compliance on such recommendations duly certified by the Auditor. Note: Please see LGU Template C - <u>Status of Implementation of Prior Year's Audit Recommendations.</u> If this is not complied with, inform the LCE (see Attachment B - <u>Notice of Deficiency in Documentary Requirements.</u>)</p> <p>STEP 3. Validate if the LGU submitted financial reports for the past three (3) years, and cross-check the financial data from each reports:</p> <ul style="list-style-type: none"> – Pre-closing Trial Balance (General Fund) – Balance Sheet (General Fund); and – Statement of Income and expenses <p>If there are no submitted financial reports, request the LCE to submit reports for the past three (3) years (see Attachment B - <u>Notice of Deficiency in Documentary Requirements.</u>)</p> <p>STEP 4. Validate if the financial reports are certified correct by the Local Accountant. If not certified, request the LCE for certified financial reports for the past three (3) years (see Attachment B - <u>Notice of Deficiency in Documentary Requirements.</u>)</p> <p>END OF PROCESS</p>

*Evaluation Procedures for the Issuance of Certificate of NDSC and NBC
(per DOF LFC No. 1-2012, dated 16 April 2012)*

REQUIREMENTS	INSTRUCTIONAL PROCEDURES FOR BLGF EVALUATOR
<p>5. Certification by the local accountant that the LGU has not incurred any default in the payment of the amortization of an existing loan.</p>	<p>STEP 1. Validate if the certificate states that the LGU has not incurred any default in the payment of amortization of an existing loan. Unless the Local Treasurer certifies that the LGU has no existing loan requirement, No. 5 requirement is no longer necessary. Note: Please see LGU Template D - <u>Sample Certification of Local Accountant on Default in Loan Payment.</u></p> <p>STEP 2. If the statement is not present, request the LCE to comply with requirement No. 5 (see Attachment B - <u>Notice of Deficiency in Documentary Requirements.</u>)</p> <p>END OF PROCESS</p>
<p>6. Certification from the secretary of the Sanggunian or the local legislative body that the proposed project to be financed by the loan is included in the Approved Annual Investment Plan (AIP) for the current year.</p>	<p>STEP 1. Validate if the certificate issued by the secretary of the Sanggunian or the legislative body that the proposed project (specific project) to be finance by the loan is included in the approved AIP for the current year.</p> <p>STEP 2. If the proposed project is not in the AIP, require the LCE to submit the supplemental AIP that includes the proposed project, approved by the local legislative body (see Attachment B - <u>Notice of Deficiency in Documentary Requirements.</u>)</p> <p>END OF PROCESS</p>
<p>7. Authenticated copy of the Resolution/Ordinance authorizing the Local Chief Executive to negotiate and contract a loan in behalf of the LGU.</p>	<p>STEP 1. Evaluate the authenticated or certified true copy of the Resolution/Ordinance authorizing the LCE to negotiate and contract a loan to specific lending institution/bank in behalf of the LGU. The Resolution/Ordinance must specifically state the purpose of the loan and the name of lending institution and the authority of the LCE to negotiate with the lending institution/bank.</p> <p>STEP 2. If the Resolution/Ordinance does not contain the above requirement, request the LCE to rectify the resolution accordingly (see Attachment B - <u>Notice of Deficiency in Documentary Requirements.</u>)</p> <p>END OF PROCESS</p>
<p>8. For loan applications in relation to foreign-assisted project: <ul style="list-style-type: none"> ✓ Certified Statement of Income (see LBP Form No. 1) ✓ Statement of Fund Operation (see LBP Form No. 8) </p>	<p>STEP 1. Validate if the fund source of loan is from foreign-assisted projects. Require the LCE to submit Local Budget Preparation Form Nos. 1 and 2, if the source of fund is from foreign-assisted projects, otherwise request the document (see Attachment B - <u>Notice of Deficiency in Documentary Requirements.</u>)</p> <p>END OF PROCESS</p>
<p>9. Certification issued by the lending institution stating that it shall not require LGU</p>	<p>STEP 1. Validate if the lending institution is not an authorized government depository bank that meets the requirements of DOF Department Circular No. 001-2015, as amended.</p>

*Evaluation Procedures for the Issuance of Certificate of NDSC and NBC
(per DOF LFC No. 1-2012, dated 16 April 2012)*

REQUIREMENTS	INSTRUCTIONAL PROCEDURES FOR BLGF EVALUATOR
<p>deposits as compensating balance for the loan if such lending institution is (1) not an authorized government depository bank or (2) an authorized government depository bank required to obtain the prior approval of the DOF per Department Circular No. 001-2015.</p>	<p>STEP 2. <u>If the lending institution is not an authorized depository bank</u>, request the LCE to secure certification from the bank/lending institution stating that it shall not require LGU deposits as compensating balance for the loan (see Attachment B - Notice of Deficiency in Documentary Requirements).</p> <p>END OF PROCESS</p>
<p>10. Department of the Interior and Local Government (DILG) Seal of Good Housekeeping awarded to the LGU.</p>	<p>STEP 1. Validate if the LGU passed the Seal of Good Housekeeping (SGH) now known as Good Financial Housekeeping (GFH) of the DILG-Central Office. Please refer to Official List of 2014 GFH Passers and passers after assessment compliance of the DILG; visit the DILG website for GFH list of passers or check regular memo circulars from the BLGF CO.</p> <p>STEP 2. If the LGU is not on the list of passers, require the LCE to submit a certification from the DILG that the LGU has been conferred with the GFH (see Attachment B - Notice of Deficiency in Documentary Requirements).</p> <p>END OF PROCESS</p>
<p>11. Proof of Compliance with the Full Disclosure Policy (FDP) of the DILG as embodied in DILG Memorandum Circular No. 2010-83.</p>	<p>STEP 1. Validate if the LGU is a recipient of the GFH. If yes, do not require anymore the LGU to submit a proof of compliance with the FDP from the DILG.</p> <p>STEP 2. If no, require the LCE to submit a proof of compliance with the FDP from the DILG (see Attachment B - Notice of Deficiency in Documentary Requirements).</p> <p>END OF PROCESS</p>
<p>Note: <i>If any or all of the required documents are not submitted within 30 days from receipt of application, issue Attachment C - Notice of Return of Letter Request Without Action, copy furnished the BLGF CO.</i></p>	

eSRE Central System v2.1 User

eSRE Debt Management Module. This module describes the procedure for:

1. Creating, editing records for debt certification and generating a debt certificate;
2. Creating and editing data for debt monitoring and generating debt monitoring report; and
3. Creating and maintaining the barangay listing.

eSRE Debt Capacity Module. This module is used for entering the data required for debt certification and the generation of a Debt Certificate.

CREATING A DEBT CERTIFICATE

Use this procedure to create a debt certificate. Please take note that the prerequisite is for the User to have an “Action Officer” role who must login in the eSRE Central System.

Procedures:


1. Click *Debt Management*->*Debt Capacity* from the navigation panel.

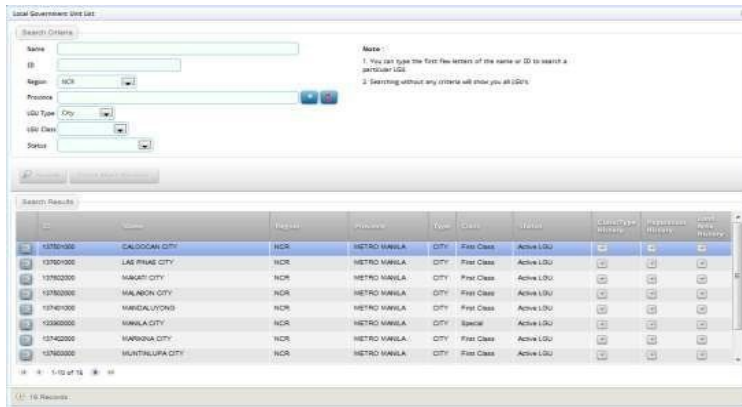


2. The *Debt Capacity* page is displayed as:

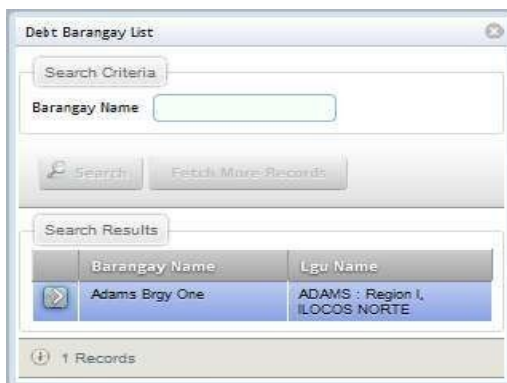
3. Tick on *New Entry*. <<New Entry>> note appears.
4. Enter Year.
5. Select Type:
 - a. LGU for Province, City, or Municipality
 - b. Barangay


Guide to Preliminary Computation of NDSC and NBC Using the eSRE System

6. Click lookup button  beside LGU Name or Barangay field to select for the LGU
 - a. For LGU look up, the *Local Government Unit List* page is displayed:



- b. For Barangay look up, the *Debt Barangay List* page is displayed:




- c. Click  to select an LGU or a Barangay.
 - i. If selected Type is LGU, system automatically displays LGUs approved eSRE data for the last three years (*depending on the given year*).
 - ii. If selected Type is Barangay, user enters the three-year data.

	2009	Actual 2010	2011	Average Annual Income	LGU Budget CY 2012
1. Real Property Tax	131,709,455.01	141,722,816.42	138,905,224.38	137,445,831.94	0.00
2. Business Tax	174,633,685.00	189,603,756.50	200,078,155.18	188,105,198.89	0.00
3. Fees and Charges	44,895,029.00	49,110,755.27	51,881,494.72	48,629,093.00	0.00
4. Receipt from Eco. Ent.	60,559,589.00	60,955,910.50	77,086,934.12	66,200,811.21	0.00
Locally Source Income	411,797,758.01	441,393,238.69	467,951,808.40	440,380,935.04	0.00
5. IRA (based on DBM Estimate)	0.00	0.00	0.00	0.00	0.00
6. Other Share from National Tax Coll.	66,832,733.00	71,377,623.48	100,898,073.33	79,702,809.94	0.00
AVERAGE REGULAR INCOME (ARI)	478,630,491.01	512,770,862.17	568,849,881.73	520,083,744.98	0.00

7. Enter Purpose of Loan.


8. Enter Estimated Project Cost.

9. Under the *Lending Information* section, click the lookup button  beside the *Lending Institution* field:

a. The *Lending Bank List* page is displayed:

Name	Code
Development Bank of the Philippines	DBP
Land Bank of the Philippines	LBP
LGU Gurantee Corporation	LGUGC
Philippine National Bank	PNB
Philippine Vetrans Bank	PVB

b. Enter Search Criteria then click Search button. To view more records, click *Fetch More Records*.

c. Click  to select a lending institution.

10. Enter Interest Rate.

11. Enter No. of Years to Pay.

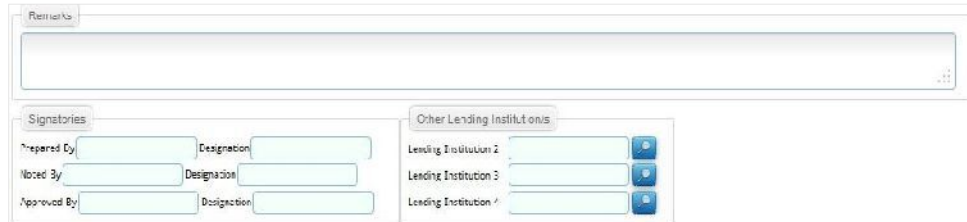
12. Enter No. of Month(s) Grace Period. System computes for the *Annuity Factor*.

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13. Enter *Annual Amortization of Existing Loan (Principal + Interest)*.

14. Click . System computes for *Estimated Borrowing Capacity*.

15. Enter Remarks.



The screenshot shows a web form with a large text area for 'Remarks'. Below it are two sections: 'Signatories' and 'Other Lending Institutions'. The 'Signatories' section has three rows, each with a text input for a name and a dropdown for a designation. The 'Other Lending Institutions' section has three rows, each with a dropdown for an institution name and a blue button.

16. Enter Signatories.

17. Select *Other Lending Institution/s*.

18. Click *Save* button to save the record.

- End of Process –

EDITING A DEBT CERTIFICATE

Use this procedure to edit a debt certificate. Note that the prerequisites are: (i) User with Action Officer role must login in the eSRE Central System; and (ii) the certificate is not yet approved.

Procedures:


1. Click *Debt Management->Debt Capacity* from the navigation panel.



2. The *Debt Capacity* page is displayed.

3. To retrieve the certificate record:

a. Enter Debt Certificate No., then click *Fetch* button.

b. Search record using the lookup button .



4. The *Debt Capacity* page is displayed.
5. The Data Capacity record displays.
6. Update as necessary.
7. Click *Save* button to save the record.

- End of Process –

DEBT CERTIFICATION

This module is used to generate a debt certificate. Note that the prerequisites are: (i) User must be an Action Officer or an Admin; and (ii) User must login in the eSRE System.

Procedures:


1. Click *Debt Management->Debt Certificate* from the navigation panel.

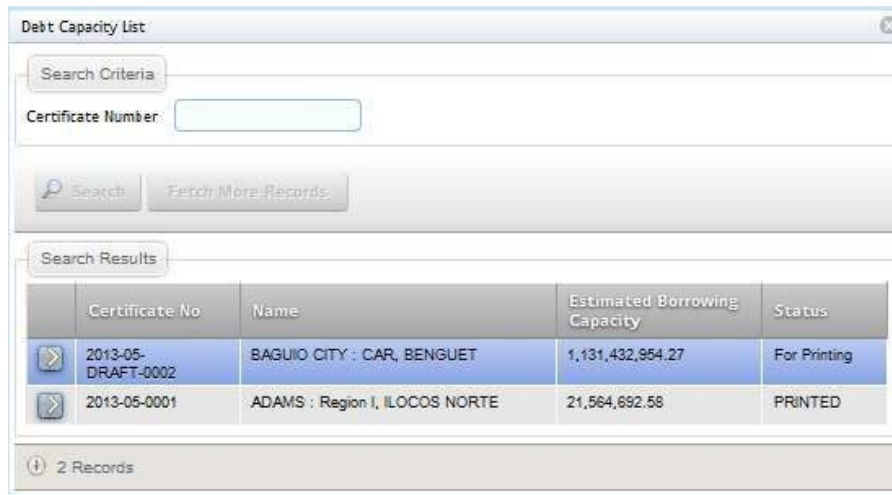


2. The *Debt Certificate Printing* page is displayed.




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3. Click lookup button  beside the Certificate Number field. The *Debt Capacity List* page is displayed as:



Certificate No	Name	Estimated Borrowing Capacity	Status
2013-05-DRAFT-0002	BAGUIO CITY : CAR, BENGUET	1,131,432,954.27	For Printing
2013-05-0001	ADAMS : Region I, ILOCOS NORTE	21,564,692.58	PRINTED

4. Click  to select a certificate number.
- a. To review the certificate, click *For Review*.



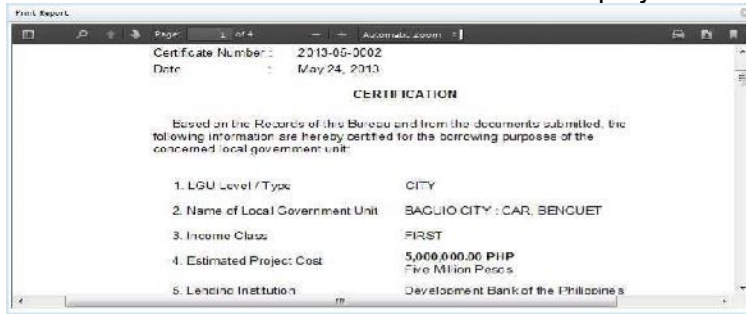
- b. To print official certificate, click *Approved*.



- c. To cancel an official certificate, tick *Cancelled*.



5. Click *Generate Certificate*. The certificate is displayed.



- a. If the status is *For Review*, the certificate has a “DRAFT” watermark.
- b. If the status is *Approved*, system assigns official certificate number to the certificate.
- c. If the status is *Cancelled*, the certificate has a “CANCELLED” watermark.

6. User may print or save the certificate using the installed PDF viewer.

- End of Process –

Annual Statement of Indebtedness, Payments and Balances (SIPB)

Name of LGU: _____

Instruction: Please prepare a Statement for each kind of loan.

ITEM NO.	PARTICULARS	DETAILS
	REPORT HEADINGS	
1	LGU Income Classification	
2	Date of Report	
3	Bank (or Creditor)	
3.1	Date of Certification – NDSC/NBC	
4	If not authorized depository bank, state the DOF approval details	
5	Loan Reference Number	
5.1	Monetary Board (MB) Resolution Number	
5.2	Date of MB Opinion	
5.3	Amount of Proposed Loan	
5.4	Certificate Number - NDSC/NBC	
6	Date of Approval of Loan	
7	Amount Approved*	
8	Name of Mayor/Governor at the time of Contract Signing	
9	National Government Guarantee	
10	Type of Indebtedness Instrument	
11	Purpose of Indebtedness	
12	If Others, please specify purpose of indebtedness here	
12.1	Is the Project (Loan) included in the Annual Investment Plan?	
12.2	If not included in AIP, what is the remedy?	
13	Council Resolution No. (Authorizing Mayor/Governor)	
14	Economic / Useful Life of the Project (Subject of Loan)	
15	Maturity Date	
16	Terms of Indebtedness	
17	Terms and Conditions: No. of Years of Indebtedness	
18	Terms and Conditions: Interest Rate	
19	Frequency of Payment	
20	Terms and Conditions: Grace Period (Number of Months)	

ITEM NO.	BODY OF REPORT	AMOUNT/DETAILS
21	Annual Amortization: Principal	
22	Annual Amortization: Interest	
23	Cumulative Quarterly Payment During the year: Starting Date of Payment	
24	Cumulative Quarterly Payment During the year: Principal	
25	Cumulative Quarterly Payment During the year: Interest	
26	Total Amount Released (Availment as of date)	
26.1	Remaining Balance to Date / Undrawn Amount (Approved Amount – Released Amount = Undrawn Amount)	
27	Outstanding Loan After Principal and Interest Payments	
28	Arrears: Principal (if any)	

Annex F
Statement of Indebtedness, Payments and Balances (SIPB)

ITEM NO.	BODY OF REPORT	AMOUNT/DETAILS
29	Arrears: Interest (if any)	
30	Major Debt Covenants	
30.1	Collateral Security	
31	If cash deposits, how much?	
32	Deposit to bond sinking fund for the year	
33	Sinking fund balance to date, if any	
34	Breakdown of fees and other related costs (of loan)	
35	Other relevant terms and conditions (of loan)	
36	Current Mayor/Governor (as of date of this report)	
36.1	Is the said loan being paid as of date / Default?	
36.2	If No, state the reason for discontinuing the payment	
36.3	COA Audit Report No. / Date Related	
36.4	Accountant Name at the Time of Default	
37	Treasurer Name at the Time of Default	
38	Annual Budget at the time of Loan	
39	Current Annual Budget	
40	Current Budget Allocation for Debt Service	
41	Date of Award of Good Financial Housekeeping (GFH)	
41.1	Current Project / Other Obligations Contracted (paid from CO fund)	
41.2	Project 1 (Bond Floatation)	
41.3	Project 2 (Construction)	

Certified Correct by:

Date Issued:

 Signature over Printed Name
 of Local Treasurer

Note:
 * Please indicate if on a staggered basis

SOURCES OF SIPB INFORMATION

Item No.	Information Type	Instruction	Source of Information
1	Income Class	Indicate the LGU income classification.	Latest Department Order
2	Date (mm/dd/yyyy)	Indicate cut-off date of report, e.g. Ending 1st Qrt. March 31, 2016.	Reporting date
3	Name	Indicate the name of the lending institution (Bank/Financial Institution or Private Corporation). Write full name. Example: Land Bank of the Philippines, Development Bank of the Philippines	Loan Agreement
3.1	Date (mm/dd/yyyy)	Input the issue date of Certificate of Net Debt Service and Borrowing Capacity (CNDSBC) by BLGF.	CNDSBC issued by BLGF
4	Number	Other than Authorized Government Depository Bank (LBP & DBP), LGU may acquire loan from other facility. Indicate authorization number as per DOF 001-2015 (If LGU required to establish fund deposit to not Authorize Government Depository Bank).	Department of Finance (DOF)
5	Number	Refer to the lending institution assigned number sequence to the loan as reference.	Loan Agreement
5.1	Number	Loans from GFI (DBP/LBP) passes through the Monetary Board. Refer to the MB resolution number provided.	Bangko Sentral ng Pilipinas (BSP)
5.2	Date (mm/dd/yyyy)	Refer to the MB resolution date of approval.	Bangko Sentral ng Pilipinas (BSP)
5.3	Amount	Amount indicated in the original application for loan.	LGU/Lending Institution
5.4	Number	Issued Certificate Number of Max Borrowing Capacity.	NDSC/NBC issued by BLGF
6	Date (mm/dd/yyyy)	Date of Approval of Loan.	Loan Agreement
7	Amount	Indicate the principal amount of loan.	Loan Agreement
8	Name	Indicate the name of the Mayor/Governor at the time when the contract was signed with the lending institution.	LGU
9	Name	Indicate the type of guarantee provided by national government, if any.	LGU
10	Description List	Specify the type of indebtedness instrument. Example: Bond or Syndicated/Bilateral Debt, Loan (Secured or Unsecured), Lease (Build-Operate-Transfer, Build-Lease-Transfer, etc), Mortgage, Combination, etc.	Loan Agreement
11	Type of Loan	Indicate the reason for borrowing. Example: Construction of: Health Care Center, Social Welfare Centers, Trade Center (Public Market or alike), Water District, School, Government Center (Provincial Hall, City Hall, Municipal Hall, Barangay Hall), Transport Terminal, Sea Port, IT Systems, Entertainment/Sports Center, Waste Management Facility, Disaster/Risk Management Center, Others	Loan Agreement / Council Resolution
12	Description List	If you checked "Others", please specify here the purpose of your loan.	Loan Agreement / Council Resolution
12.1	Pre-defined Answer	This item is answerable by Yes or No only.	LGU
12.2	Description List	There are cases that the loan is not included in the AIP. Indicate the remedy to acquire loan. Example: Supplemental AIP, Council Resolutions, etc.	LGU
13	Number	Indicate here the council resolution number sequence of document authorizing Mayor/Governor to acquire loan	LGU
14	Number	Period or number of years over which an asset (machine, property, computer system, etc.) is expected to be usable with normal repairs and maintenance, for the purpose it was acquired, rented, or leased. Expressed usually in number of years, process cycles, or units produced. It is usually less than the asset's physical life, and is the period over which the asset's depreciation is changed. Also called average life, service life, effective life, mean life, or useful life.	LGU Project Details
15	Date (mm/dd/yyyy)	Indicate the date that the loan finally becomes due or date of settlement or completion of payment.	Loan Agreement

Item No.	Information Type	Instruction	Source of Information
16	Description List	Specify the major terms or conditions of the Loan Agreement.	Loan Agreement
17	Number	Specify the number of years the LGU is bound to the lending institution to pay in full. (Period covered to pay the loan.)	Loan Agreement
18	Rate	Indicate the agreed interest rate of the loan. (If the loan rate is floating, indicate the base and spread.)	Loan Agreement
19	Pre-defined Answer	Indicate the agreed frequency of payment: Monthly, Quarterly, Semi-annually, or Annually Select only one answer.	Loan Agreement
20	Number	Indicate the number of years that the lending institution provided to LGU to defer the payment of principal. Usually this first one or two years of the loan.	Loan Agreement
21	Amount	Indicate the amount of principal to be paid based on amortization schedule.	Loan Agreement
22	Amount	Indicate the amount of interest to be paid based on the amortization schedule.	Loan Agreement
23	Date (mm/dd/yyyy)	Indicate the 1st date of payment in relation to the amortization schedule.	Record of Debt Service (RDS)
24	Amount	Indicate the amount of cumulative principal payment made during the year.	RDS
25	Amount	Indicate the amount of cumulative interest payment made during the year.	RDS
26	Amount	Indicate the total amount that the lending institution released to the LGU.	Loan Agreement
26.1	Amount	Indicate the remaining unreleased balance as of the reporting date.	Accounting Office Subsidiary Ledger
27	Amount	Indicate the outstanding loan balance as of the reporting date.	Accounting Office Subsidiary Ledger
28	Amount	Indicate the amount of principal in arrears as of reporting date.	Subsidiary Ledger
29	Amount	Indicate the amount of interest in arrears as of reporting date.	Subsidiary Ledger
30	Description List	Indicate any restrictions/covenants, if any, of the loan/s in favor of the lender. (i.e., Prepayment of loan is not allowed, debt equity ratio should not reach a certain level specify by the lender, etc.)	Loan Agreement
30.1	Description List	Indicate the collateral if any, attached to the loan/s	Loan Agreement
31	Amount	Collateral are sometimes deposit, indicate here required amount of deposits.	Loan Agreement
32	Amount	Indicate the amount set aside for the installment payment of maturing loans / bonds	Accounting
33	Amount	Indicate the cumulative balance of sinking fund if any, reporting date.	Accounting
34	Description List	There are costs associated in each loan. Indicate here the fees and other related cost incurred to facilitate the loan.	LGU
35	Description List	If any, and other than the terms and conditions indicated above, enumerate herewith the other relevant terms.	Loan Agreement
36	Name	Current Mayor/Governor may not be the same local chief executive during the signing of Loan Agreement, indicate here the current Mayor/Governor.	LGU
36.1	Pre-defined Answer	This item is answerable by Yes or No only.	LGU
36.2	Description List	Briefly enumerate here in not more than three (3) reasons for the default.	LGU
36.3	Number	Defaults are usually one of the subject of the COA audit report. Indicate here the related number sequence or reference of the report or the date the report was issued.	COA
36.4	Name	Indicate there the name of the accountant at the time of default	LGU
37	Name	Indicate there the name of the treasurer at the time of default	LGU
38	Amount	Indicate here the annual budget at the time the Loan Agreement was signed.	LGU
39	Amount	Indicate here the annual budget of the LGU as of reporting date.	LGU

Item No.	Information Type	Instruction	Source of Information
40	Amount	Indicate here the current year budget allocation for debt service	LGU
41	Date (mm/dd/yyyy)	Indicate the date of certification	LGU
41.1	Description List	Enumerate here the other obligations of the LGU. Do not include here loans being reported in same manner as this form. These projects may be usually paid in cash or staggered payment without interest.	LGU
41.2	Amount	Indicate the name of the project and the amount of obligation due for the current year. Declare the next year obligation on the next year report.	LGU
41.3	Amount	Indicate the name of the project and the amount of obligation due for the current year. Declare the next year obligation on the next year report.	LGU

BLGF Checklist of Requirements for the Certification NDSC and NBC

Name of LGU: _____ Date of Application: _____

	REQUIREMENTS	✓ or X	COMMENTS																				
1.	Letter request from the Local Chief Executive indicating : <ul style="list-style-type: none"> - The lending institution - Terms and conditions of the proposed loan - The purpose of the loan 	_____ _____ _____																					
2.	Statement of Receipts and Expenditures for the past three (3) years uploaded and approved by the BLGF Central Office	_____																					
3.	Certification of existing/absence of loan/s duly certified by the Local Treasurer with the following details <ul style="list-style-type: none"> - Types of loans & other obligations contracted - Purpose of the loans & other obligations contracted - Name of the lending institutions - Date of approval & maturity - Terms & conditions (interest rate & number of years to pay) - Remaining balances of loans and other obligations - Annual amortization schedules (segregating the principal from the interest) issued by the lending institution 	_____ _____ _____ _____ _____ _____ _____																					
4.	Commission on Audit (COA) Annual Audit Certificate for the past three (3) fiscal years showing no adverse finding against the LGU, which is supported by the following year-end financial reports <table border="1" style="margin-left: 20px;"> <thead> <tr> <th></th> <th>20__</th> <th>20__</th> <th>20__</th> </tr> </thead> <tbody> <tr> <td>- Pre-closing trial balance (general fund)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>- Balance sheet (general fund)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>- Statement of income and expenses</td> <td></td> <td></td> <td></td> </tr> <tr> <td>- COA Audit Report</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>		20__	20__	20__	- Pre-closing trial balance (general fund)				- Balance sheet (general fund)				- Statement of income and expenses				- COA Audit Report				_____ _____ _____ _____ _____	
	20__	20__	20__																				
- Pre-closing trial balance (general fund)																							
- Balance sheet (general fund)																							
- Statement of income and expenses																							
- COA Audit Report																							

	REQUIREMENTS	✓ or X	COMMENTS
5.	Certification by the Local Accountant that the LGU has not incurred any default in the payment of the amortization of an existing loan.	_____	
6.	Certification from the Secretary of the Sanggunian or the local legislative body that the proposed project to be financed by the loan is included in the Approved Annual Investment Plan for the current year.	_____	
7.	Authenticated copy of the Resolution/Ordinance authorizing the Local Chief Executive to negotiate and contract a loan in behalf of the LGU	_____	
8.	For loan applications in relation to foreign assisted project: - Certified Statement of Income (see LBP Form No. 1) - Statement of Fund Operation (see LBP Form No. 8)	_____ _____ _____	
9.	Certification issued by the lending institution stating that it shall not require LGU deposits as compensating balance for the loan , if such lending institution is (1) not an authorized government depository bank or (2) an authorized government bank required to obtain the prior approval of the Department of Finance as provided under the DOF Department Order No. 27-05 (Banks other than LBP and DBP)	_____	
10.	Department of Interior and Local Government (DILG) Seal of Good Housekeeping for awarded to the LGU	_____	
11.	Proof of Compliance with the Full Disclosure Policy of the DILG as embodied in DILG Memorandum Circular No. 2010-83 (2013)	_____	

Prepared and Evaluated by:

Date of Evaluation:

Financial Analyst

Attachment B
Notice of Deficiency in Documentary Requirements

Date _____

Hon. _____

Dear **Mayor/Governor** _____:

This refers to your letter dated _____ date _____ requesting for the issuance of a Certificate of Net Debt Service Ceiling and Net Borrowing Capacity of the name of LGU for its loan application with the Name of Financing Institution, for the (state purpose of the loan).

In this connection and in order to complete the assessment of your application and determine the financial viability of the proposal, please submit to this Office the soonest possible time the documents marked **X** in the attached checklist, per Local Finance Circular No. 1-2012 dated April 16, 2012.

Please be reminded that should this Bureau fail to receive any information regarding the matter within thirty (30) days from receipt hereof, said request shall be **returned without action**.

Thank you.

Very truly yours,

Regional Director

Attachment C
Notice of Return of Letter Request Without Action

Date _____

Hon. _____

Dear **Mayor/Governor** _____:

This refers to your letter dated _____ date _____ requesting for the issuance of a Certificate of Net Debt Service Ceiling and Net Borrowing Capacity of the name of LGU for its loan application with the Name of Financing Institution, for the (state purpose of the loan).

In connection therewith, since thirty (30) working days have lapsed and no reply was received from your Office, per our letter request dated _____ date _____, requiring the submission of the lacking documents to facilitate the request (copy attached), we regret to return your letter request **without action**.

Thank you.

Very truly yours,

Regional Director

Cc: The OIC-Executive Director, BLGF Central Office

_____ Date _____

Ms. JOCELYN T. PENDON

OIC-Executive Director
Bureau of Local Government Finance
Department of Finance
8th floor, EDPC Bldg., BSP Complex,
Roxas Blvd., Malate, Manila

Dear **Director Pendon**:

Relative to the loan application of the _____ (Name of LGU) _____, with the (Name of Financing Institution), may we request for the issuance of Certificate of Net Debt Service Ceiling and Net Borrowing Capacity from that Office, with the following information provided for your reference/consideration:

Credit Facility <i>(Specific Purpose of Loan)</i>	Term of Loan	Amount of Loan
✓Indicate the purpose of the loan (state what exactly it is in the approved Resolution)	✓Indicate the number of years to pay including grace period and the interest rate	✓Indicate the amount of proposed loan

Add rows for other additional information as may be necessary

Attached are the documents required to facilitate our request in compliance with DOF Local Finance Circular No. 1-2012, dated 16 April 2012, to wit:

1. Statement of Receipts and Expenditures for the past three (3) years, as uploaded, and approved by the BLGF Central Office;
2. Certification of existing/absence of loan/s duly certified by the Local Treasurer;
3. Commission on Audit (COA) Annual Audit Certificate for the past three (3) fiscal years showing no adverse finding against the LGU;
4. Certification by the Local Accountant that the LGU has not incurred any default in the payment of the amortization of an existing loan;
5. Certification from the Secretary of the Sanggunian or the local legislative body that the proposed project to be financed by the loan is included in the Approved Annual Investment Plan for the current year;
6. Authenticated copy of the Resolution/Ordinance authorizing the Local Chief Executive to negotiate and contract a loan in behalf of the LGU;
7. Certified Statement of Income and Statement of Fund (applicable only for loan applications in relation to foreign assisted project);

LGU Template A
Sample LCE Letter of Application

8. Certification issued by the lending institution stating that it shall not require LGU deposits as compensating balance for the loan;
9. DILG Seal of Good Housekeeping for awarded to the LGU; and
10. Proof of Compliance with the Full Disclosure Policy of the DILG.

Thank you.

Very truly yours,

Name and Signature
Title of LCE

CERTIFICATION

This is to certify that the _____ (Name of LGU) _____ has (state whether the LGU has an existing loan or has no existing loan).

Financing Institution	Type of Loan	Purpose	Amount	Date Availed	Date of Maturity	Interest Rate	Tenor (# of years to pay)	Outstanding Balance as of _____
1.								
2.								
3.								

Add rows as may be necessary

Attached is/are the amortization schedule/s for reference.

This certification is issued in support of the request of the _____ (Name of LGU) _____ for the issuance of the Certificate of Net Debt Service Ceiling and Net Borrowing Capacity from the Bureau of Local Government Finance.

Done this _____ Date _____, at _____ (Name of LGU) _____, Philippines.

(Name and Signature)
Provincial/City/Municipal Treasurer

LGU Template C
Status of Implementation of Prior Year's Audit Recommendations

Status of Implementation of Prior Year's Audit Recommendations
CY ____ Annual Audit Report

Audit Observation	Recommendations	Management Action	Status of Implementation	Reason/s for Partial Or Non Implementation
1				
2				
3				

Name and Signature of Concerned LGU Officials

CERTIFICATION

This is to certify that the (LGU Name) has (state whether the LGU defaulted or not) in the payment of amortization of its existing loan/s. *(Provide details of the loan where there was a default in payment.)*

Done this Date at Name of LGU, Philippines.

(Name and Signature)
Provincial/City/Municipal Accountant

DETAILED STATEMENT OF INCOME SOURCES

Name of LGU: _____ Income Classification: _____

	2012	2013	2014	2015
Real Property Tax (RPT)	0.00	0.00	0.00	
<i>Less: Discount</i>	0.00	0.00	0.00	
Net RPT	0.00	0.00	0.00	
Business Tax	0.00	0.00	0.00	
- Tax on Business	0.00	0.00	0.00	
- Franchise Tax	0.00	0.00	0.00	
- Tax on Sand, Gravel & Other Quarry Resources	0.00	0.00	0.00	
Contractors	0.00	0.00	0.00	
- Tax on Delivery Trucks & Vans	0.00	0.00	0.00	
- Amusement Tax on Admission	0.00	0.00	0.00	
- Banks & Other Financial Institutions	0.00	0.00	0.00	
- On Peddlers	0.00	0.00	0.00	
- Other Business Taxes	0.00	0.00	0.00	
- Fines & Penalties	0.00	0.00	0.00	
Other Taxes				
- Tax on Transfer of Real Property Ownersh	0.00	0.00	0.00	
- Real Property Tax on Idle Lands	0.00	0.00	0.00	
- Professional Tax	0.00	0.00	0.00	
- Occupational Tax	0.00	0.00	0.00	
- Community Tax	0.00	0.00	0.00	
- Other Local Taxes	0.00	0.00	0.00	
- Fines & Penalties - Local Taxes	0.00	0.00	0.00	
Fees & Charges	0.00	0.00	0.00	
- Weights and Measures	0.00	0.00	0.00	
- Permit Fees	0.00	0.00	0.00	
- Franchising and Licensing Fees	0.00	0.00	0.00	
- Other Permits & Licences	0.00	0.00	0.00	
- Fines & Penalties	0.00	0.00	0.00	
- Registration Fees	0.00	0.00	0.00	
Service Income				
- Clearance/Certificates/Fees	0.00	0.00	0.00	
- Athletic and Cultural Fees	0.00	0.00	0.00	
- Garbage Fees	0.00	0.00	0.00	
- Inspection Fees	0.00	0.00	0.00	
- Medical, Laboratories, Dental Fees	0.00	0.00	0.00	
- Toll and Terminal Fees	0.00	0.00	0.00	
- Motor Vehicles Users Charge	0.00	0.00	0.00	
- Transcript of Records Fees	0.00	0.00	0.00	
- Hospital Fees	0.00	0.00	0.00	

DETAILED STATEMENT OF INCOME SOURCES

Name of LGU: _____ Income Classification: _____

	2012	2013	2014	2015
- Tuition Fees	0.00	0.00	0.00	
- Processing Fees	0.00	0.00	0.00	
- Other Fines & Penalties	0.00	0.00	0.00	
Receipts from Economic Enterprises	0.00	0.00	0.00	
- Income from Cemetery	0.00	0.00	0.00	
- Income from Markets	0.00	0.00	0.00	
- Income from Slaughterhouse	0.00	0.00	0.00	
- Income from Waterworks System	0.00	0.00	0.00	
- Printing and Publication Income	0.00	0.00	0.00	
- Rent Income	0.00	0.00	0.00	
- Landing and Parking Fees	0.00	0.00	0.00	
- Income from Waterworks	0.00	0.00	0.00	
- Other Fines and Penalties	0.00	0.00	0.00	
- Other Business Income	0.00	0.00	0.00	
Other Income	0.00	0.00	0.00	
- Interest Income	0.00	0.00	0.00	
- Subsidy from Other Funds	0.00	0.00	0.00	
- Other (Miscellaneous) Income	0.00	0.00	0.00	
- Other Fines and Penalties	0.00	0.00	0.00	
- Gain on Sale of Disposed Asset	0.00	0.00	0.00	
Internal Revenue Allotment	0.00	0.00	0.00	0.00
Share from PAGCOR/PCSO	0.00	0.00	0.00	
Other Share from National Tax Collection	0.00	0.00	0.00	
GRAND TOTAL	0.00	0.00	0.00	0.00

Prepared by: _____

Date Prepared: _____

Name and Signature of Financial Analyst
BLGF Region _____

Note: To be included as enclosure in the indorsement letter to be sent to BLGF-CO after the preliminary computation of Net Debt Service Ceiling and Net Borrowing Capacity.

INCOME AND EXPENDITURE

Barangay/Municipality/City/Province: **0**
 Project: Name of Financing Institution - Project Name - Amount of Project
 Tenor: _____ years inclusive of _____-yr grace period at _____% interest rate

(In Thousand Pesos)

	2012	2013	2014	2015
Income Sources				
Real Property Tax	-	-	-	
Business Tax	-	-	-	
Fees and Charges	-	-	-	
Receipt from Eco. Ent.	-	-	-	
IRA	-	-	-	-
Other Share fr. National Tax Coll.	-	-	-	
Annual Regular Income	-	-	-	
Others	-	-	-	
Borrowings				
Grants/Aids/GSEF				
Beg. Balance				
Add: Subsidies (Net)				
Less: Finance Cost				
Total Income	-	-	-	
Expenditures				
PS				
MOOE				
Capital Outlay				
20% Development Fund				
Debt Service				
5% Calamity Fund				
2% Discretionary Fund				
Total Expenditures				
SURPLUS/DEFICIT				

Province/City/Municipal Mayor- Provincial Governor - **Hon. (Name of LCE)**

with (without) existing loans as certified by the Provincial/City/Municipal Treasurer, (name of Local Treasurer)

Prepared by:

 Financial Analyst

Note: To be included as enclosure in the indorsement letter to be sent to BLGF-CO after the preliminary computation of Net Debt Service Ceiling and Net Borrowing

Average Locally Sourced Income (2012-2014)

0

(In Thousand Pesos)

				AVERAGE ANNUAL INCOME
	2012	2013	2014	
1. Real Property Taxes	-	-	-	-
2. Business Taxes	-	-	-	-
3. Fees and Charges	-	-	-	-
4. Receipts from Eco. Ent.	-	-	-	-
Locally Sourced Income (LSI)	-	-	-	-
5. IRA	-	-	-	-
6. Share from Nat. Tax Coll.	-	-	-	-
TOTAL REGULAR INCOME	-	-	-	-

Note:

IRA in the Average Annual Income is based on CY 2015 Final IRA as estimated by DBM.

Amortization Schedule

Financing Institution	Total	Principal	Interest	GRT
Name of Financing Institution	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
Total	-	-	-	-

Prepared by:

Date Prepared:

Financial Analyst

Note: To be included as enclosure in the indorsement letter to be sent to BLGF-CO after the preliminary computation of Net Debt Service Ceiling and Net Borrowing Capacity.

NET DEBT SERVICE CEILING AND NET BORROWING CAPACITY

FY _____

0

(In Thousand Pesos)

Year	Average Locally Sourced Income (LSI)	Other Share from National Tax Coll.	IRA	Annual Regular Income (ARI)	Maximum Debt Service Capacity	Annual Amortization of Existing Loan <small>(Principal + Interest)</small>	Net Debt Service Ceiling	Borrowing Capacity
(1)	(2)	(3)	(4)	(2+3+4) (5)	(5 x 20%) (6)	(7)	(6-7) (8)	(8 x _____) (9)
2015	-	-	-	-	-	-	-	-

- Note: 1) **Debt Service Capacity** is computed in accordance with **Sec. 324b of the LGC**, which is 20% of the ARI
 2) **Annual Regular Income** for CY 2015 is determined based on the average locally sourced income and share from national tax collection for the past 3 years plus CY 2015 Final IRA DBM estimate.
 3) Annual Amortization of existing loans were based from the availed loans from the _____
 4) Net Borrowing Capacity is computed based on the annuity factor of _____ (____%, ____ yrs).

Prepared by:

Noted by:

Financial Analyst

Regional Director

Date Prepared: _____

Note: To be included as enclosure in the indorsement letter to be sent to BLGF-CO after the preliminary computation of Net Debt Service Ceiling and Net Borrowing Capacity