



REPUBLIC OF THE PHILIPPINES
BUREAU OF LOCAL GOVERNMENT FINANCE
DEPARTMENT OF FINANCE
8th Floor EDPG Building, Bangko Sentral ng Pilipinas Complex
Roxas Boulevard, Manila 1004 * Telefax Nos. 527-2780 / 527-2790
E-mail: blgf@blgf.gov.ph

BLGF MEMORANDUM CIRCULAR NO. 12-002-2016
14 December 2016

TO : All BLGF Central and Regional Officials and Personnel, Provincial, City and Municipal Treasurers and Others Concerned

SUBJECT : DILG-NEDA-DBM-DOF Joint Memorandum Circular No. 1 Series of 2016 on the Updated Guidelines on the Harmonization of Local Planning, Investment Programming, Resource Mobilization, Budgeting, Expenditure Management, and Performance Monitoring and Coordination in Fiscal Oversight

For the guidance of all concerned, enclosed herein is the Joint Memorandum Circular (JMC) No.1 Series of 2016 dated 18 November 2016, approved and issued by the Department of the Interior and Local Government (DILG), the National Economic and Development Authority (NEDA), Department of Budget and Management (DBM) and the Department of Finance (DOF).

The JMC effectively amended and updated the 2007 JMC on the same subject by strengthening the linkages of said local government processes for better fiscal oversight of concerned agencies, namely, the DILG (for planning and investment programming functions of municipalities and cities), the NEDA (for planning and investment programming functions of provinces), the DBM (for budgeting of all LGUs) and the DOF (for resource mobilization and revenue generation of all LGUs).

The BLGF and the concerned offices within its jurisdiction are hereby enjoined to support the implementation of the JMC as follows:

I. Roles and Responsibilities of the Oversight Agencies and LGUs

The DOF, through the BLGF, shall be responsible for the supervision of the revenue operations of all local government units (Section 2, Book IV, of EO No. 292 and Article 287, IRR of RA No. 7160), and shall promulgate the necessary policies, rules and regulations, and capacitate the LGUs in the following:

- a. Local Treasury Operations Manual (LTOM);
- b. Manual for Real Property Appraisal and Assessment Operations (MRPAAO);
- c. Philippine Valuation Standards (PVS);
- d. Mass Appraisal Guidebook (MAG);
- e. Electronic Statement of Receipts and Expenditures (eSRE) including LGFPMS;
- f. Resource Mobilization Manual (RMM);
- g. Public Financial Management (PFM) Tools using the eSRE;

- h. Performance Standards for Local Treasurers and Local Assistant Treasurers (DOF Department Order No. 006-2015 dated 20 January 2015);
- i. Guidelines for the Updating of the Local Revenue Code; and
- j. Other such policies, manuals, guidelines, rules and regulations that may be issued by the DOF and the BLGF related to local treasury and assessment operations.

II. Policy Guidelines for Planning and Budgeting

As part of the local budgeting process, the BLGF shall provide the local treasurers with annual revenue targets based on the methodology and criteria set forth in DOF Department Order No. 006-2015 dated 20 January 2015 and the prescribed revenue target reconciliation process as described in PFM Tools for the eSRE.

III. Oversight Agency and Provincial Government Shared Function

The DOF-BLGF shall issue the MELTO and, through the DOF-BLGF Regional Offices, coordinate with provinces in the conduct of the evaluation of local treasury operations using the MELTO, in the case of municipalities. The BLGF and the BLGF Regional Offices shall provide capacity development to the provinces in the use of the MELTO and the conduct of the evaluation.

The DOF-BLGF shall issue the AEEM and, through the DOF-BLGF Regional Offices, coordinate with provinces in the conduct of the evaluation of real property assessment operations using the AEEM, in the case of municipalities. The DOF-BLGF and the DOF-BLGF Regional Offices shall provide capacity development to the provinces in the use of the AEEM and the conduct of the evaluation.

IV. Performance Monitoring, Measurement and Diagnostic Tools

- a. In order to promote good fiscal and financial management, the DOF through the BLGF shall provide the following measurement systems:
 - a.1. LGFPMS, administered by the DOF-BLGF, which is intended to help LGUs in improving revenue generation and management;
 - a.2. Local Government Fiscal Sustainability Scorecard (Iskor ng 'yong Bayan);
 - a.3. Local Treasurers Performance Standards; and
 - a.4. Creditworthiness Rating System (CRS).
- b. To mainstream performance management systems currently being implemented by the OAs into local public financial management, the OAs shall endeavor to harmonize and complement the various performance systems through the LIFT.

Please be guided accordingly.

NIÑO RAYMOND B. ALVINA
OIC Executive Director