



**DEPARTMENT OF BUDGET AND MANAGEMENT (DBM)
DEPARTMENT OF FINANCE (DOF)
DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT (DILG)**

Joint Memorandum Circular (JMC) No. 2018 -1

Date: July 12, 2018

For : All Local Chief Executives, Members of the Local Sanggunian, Local Accountants, Treasurers, Assessors and Budget Officers, Heads of the Central/Regional/Field Offices of the DBM, DILG, and DOF-Bureau of Local Government Finance (BLGF), and All Others Concerned

Subject : **ADOPTION OF THE MODIFIED FORMAT FOR THE STATEMENT OF RECEIPTS AND EXPENDITURES OF LOCAL GOVERNMENT UNITS (SRE of LGUs) AND UPDATED GUIDELINES ON THE PREPARATION AND SUBMISSION THEREOF**

1.0 PURPOSES

This JMC is being issued to:

- 1.1 Adopt a more comprehensive format for the SRE of LGUs, which can serve as a source/reference for the preparation of other reports required by the oversight agencies concerned from the LGUs;
- 1.2 Update the classification and treatment of accounts to be used in preparing the SRE of LGUs; and
- 1.3 Delineate the roles and responsibilities of the DBM, DOF, DILG, and the local officials concerned, particularly the local treasurers, assessors, budget officers and accountants, in the preparation of the LGU fiscal data.

2.0 GENERAL GUIDELINES

- 2.1 All financial statements and reports of LGUs shall be prepared consistent with the Revised Chart of Accounts for LGUs as prescribed under Commission on Audit Circular No. 2015-009 dated December 1, 2015.¹
- 2.2 For purposes of preparing the SRE of LGUs, the reporting formats prescribed under Annexes A and B hereof, which provide for the classification and grouping of accounts, as well as the years for which data should be presented, shall be adopted by the LGUs.

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¹ Prescribing the Revised Chart of Accounts for Local Government Units

- 2.3 The SRE covering the actual, current and budget years shall be submitted by the LGUs to the DOF-BLGF, through the LGU Integrated Financial Tools (LIFT), strictly within the timelines that may be prescribed in the advisory to be issued by the DOF-BLGF for the purpose.
- 2.4 The reporting systems, manuals, responsibilities and mechanisms for coordination in the preparation of the SRE of LGUs shall operationalize the provisions under DILG-National Economic and Development Authority-DBM-DOF JMC No. 1, Series of 2016, dated November 18, 2016.²

3.0 ROLES AND RESPONSIBILITIES

3.1 DOF

3.1.1 The DOF-BLGF ROs shall:

- 3.1.1.1 Review and monitor the SRE reports and the Quarterly Report on Real Property Assessment (QRRPA) submitted by the LGUs and ensure the accuracy of the said reports;
- 3.1.1.2 Validate the propriety and accuracy of the SRE of LGUs and the QRRPA, and ensure that the ending balance of the previous year is the beginning balance of the succeeding year. If there are adjustments, proper disclosure shall be made on the nature/details of the adjustment;
- 3.1.1.3 Ascertain the timely submission of reports by the LGUs, particularly by the local treasurers; and
- 3.1.1.4 Provide technical assistance in the preparation of the SRE of LGUs and the QRRPA, when necessary.

3.1.2 The DOF-BLGF Central Office (CO) shall:

- 3.1.2.1 Monitor LGU financial performance and provide the necessary financial advice to LGUs;
- 3.1.2.2 Prepare the consolidated SRE reports and QRRPA and other reports required by various oversight agencies and stakeholders;
- 3.1.2.3 Conduct financial analysis of the SRE of LGUs on a macro level;
- 3.1.2.4 Submit to the DBM CO the SRE of LGUs covering the actual, current and budget years not later than June 7 of the current fiscal year;
- 3.1.2.5 Maintain the SRE System and database, and other systems linked to the LIFT;
- 3.1.2.6 Initiate improvements in the SRE System and the LIFT; and

² Updated Guidelines on the Harmonization of Local Planning, Investment Programming, Resource Mobilization, Budgeting, Expenditure, Management, and Performance Monitoring and Coordination in Fiscal Oversight



- 3.1.2.7 Provide technical assistance in the preparation of the SRE of LGUs and the QRRPA, when necessary.

3.2 DBM

3.2.1 The DBM ROs shall:

- 3.2.1.1 Enjoin the local budget officers to provide the following data to complete the SRE for LGUs using the LIFT:
 - a. projected expenditures for the current year; and
 - b. proposed expenditures for the budget year
- 3.2.1.2 Encourage the local budget officers to optimize the use of the LIFT for purposes of expenditure management, decision making, policy formulation and reporting by providing the data on actual obligations and using the expenditure tagging module in the LIFT;
- 3.2.1.3 Monitor, in coordination with the DOF-BLGF ROs, compliance with the deadlines for the preparation and submission of the SRE for LGUs; and
- 3.2.1.4 Provide technical assistance in the preparation of the SRE of LGUs, when necessary.

3.2.2 The DBM CO shall:

- 3.2.2.1 Submit to the DOF-BLGF CO the computed Internal Revenue Allotment shares of the LGUs for the actual, current and budget years not later than May 31 of the current year; and
- 3.2.2.2 Based on the reports submitted by the DOF-BLGF CO, prepare the consolidated SRE of LGUs to be reflected in Table F of the Budget of Expenditures and Sources of Financing of the national government for the budget year.

3.3 DILG

- 3.3.1 The DILG shall facilitate compliance of the LGUs with the preparation and submission of their respective SREs as stipulated in this JMC.

3.4 LGUs

- 3.4.1 All local chief executives shall ensure the accuracy and timely submission of the QRRPA and the SRE report.
- 3.4.2 The local accountants shall:
 - 3.4.2.1 Jointly with the treasurer, certify the actual receipts and expenditures for the current year;
 - 3.4.2.2 Provide the local treasurer with the necessary financial data and reports necessary to complete the SRE, consistent with accounting records and reports; and



- 3.4.2.3 For city and municipal accountant, consolidate and submit to the DOF-BLGF, through the LIFT, the financial statements of their respective component barangays.
- 3.4.3 The local budget officers shall:
 - 3.4.3.1 Prepare, in coordination with the local treasurers and local accountants, the estimated receipts and expenditures for the current year;
 - 3.4.3.2 Encode in the LIFT the projected expenditures for the:
 - (i) current year based on existing appropriations; and
 - (ii) budget year based on duly approved local development investment programs; and
 - 3.4.3.3 For the provincial budget officers, review the data provided by the local budget officers of their component cities and municipalities in the LIFT, and render technical assistance when necessary.
- 3.4.4 The local treasurers shall:
 - 3.4.4.1 Submit to the DOF-BLGF, through the LIFT, their respective SRE;
 - 3.4.4.2 Encode in the LIFT the projected income and income target for the current and budget years;
 - 3.4.4.3 For the provincial treasurers, review the data provided by the local treasurers of their component municipalities in the LIFT, and render technical assistance when necessary; and
 - 3.4.4.4 For the barangay treasurers, prepare the Barangay Financial Report consistent with the template prescribed under Annex B hereof.
- 3.4.5 The local assessors shall:
 - 3.4.5.1 Submit to the DOF-BLGF, through the QRRPA Module in the LIFT, the QRRPA report; and
 - 3.4.5.2 For the provincial assessor, review the data provided by the municipal and city assessor to ensure consistency with the records of Provincial Assessor's Office.

4.0 REPEALING CLAUSE

All issuances by the DBM, DOF and DILG that are inconsistent or contrary to the provisions of this JMC are hereby repealed and modified accordingly. Any future issuance(s) by the said agencies in relation to the SRE of LGUs shall be made in accordance with this JMC.

5.0 CASES FOR RESOLUTION

Cases not covered by this JMC shall be referred to the DOF-BLGF for resolution by the DBM, DOF and DILG.

6.0 EFFECTIVITY

This JMC shall take effect immediately.

S C S
BENJAMIN E. DIKNO
Secretary, DBM



[Signature]
CARLOS G. DOMINGUEZ
Secretary, DOF
JUN 22 2018



[Signature]
EDUARDO M. AÑO
Officer-in-Charge, DILG



Name of LGU : _____
STATEMENT OF RECEIPTS AND EXPENDITURES

Particulars (1)	Account Code (PGCA) (2)	Actual Year	Current Year			Budget Year
			First Semester	Second Semester	Total	
RECEIPTS						
I. Beginning Cash Balance						
II. Receipts						
A. Local Sources						
1. Tax Revenue						
a. Real Property Tax (RPT)						
i. Basic RPT						
ii. Special Education Fund						
b. Business Tax						
c. Other Local Taxes						
Total Tax Revenue						
2. Non Tax Revenue						
a. Regulatory Fees						
b. Service/User Charges						
c. Receipts from Economic Enterprise						
d. Other Receipts						
Total Non Tax Revenue						
Total Local Sources						
B. External Sources						
1. Internal Revenue Allotment						
2. Share from GOCCs (PAGCOR and PCSO)						
3. Other Shares from National Tax Collection						
a. Share from Ecozone						
b. Share from EVAT						
c. Share from National Wealth						
d. Share from Tobacco Excise Tax						
4. National Government Transfer						
5. Inter-Local Transfer						
6. Extraordinary Receipts / Grants / Donation / Aids						
Total External Sources						

C. Non-Income Receipts						
1. Capital Investment Receipts						
a. Proceeds from Sale of Assets						
b. Proceeds from Sale of Debt Securities of Other Entities						
c. Collection of Loans Receivables						
Total Capital Investment Receipts						
2. Receipts from Loans and Borrowings						
a. Acquisition of Loans						
b. Issuance of Bonds						
Total Receipts from Loans and Borrowings						
Total Non-Income Receipts						
Total Receipts						
EXPENDITURES						
I. General Fund						
a. General Services						
b. Economic Services						
c. Social Services						
d. Debt Services						
II. Special Education Fund						
III. Trust Fund from National Government Transfers						
Total Expenditures						
Ending Cash Balance						

Prepared by:

Approved by:

Local Treasurer

Local Chief Executive

Local Accountant

Local Budget Officer

Barangay Financial Report
STATEMENT OF RECEIPTS AND EXPENDITURES

City/Municipality Code : _____
 City/Municipality Name : _____
 Barangay Code : _____
 Barangay Name : _____
 Year : _____

Particulars (1)	Account Code (PGCA) (2)	Actual Year	Current Year			Budget Year
			First Semester	Second Semester	Total	
TOTAL REVENUE						
A. Local Sources						
1. Tax Revenue						
a. Real Property Tax						
b. Tax on Business						
c. Other Taxes						
2. Non-Tax Revenue						
a. Fees and Charges						
b. Receipts from Economic Enterprise						
c. Other Receipts (Other General Income)						
B. External Sources						
1. Internal Revenue Allotment						
2. Share from National Wealth						
3. Grants and Donations in Cash						
4. Subsidy						
C. Non-Income Receipts						
1. Capital Investment Receipts						
a. Proceeds from Sale of Property, Plant and Equipment						
2. Receipts from Loans and Borrowings						
a. Borrowings						

EXPENDITURES						
I. General Fund						
a. General Services						
b. Economic Services						
c. Social Services						
d. Debt Services						
II. Trust Fund from National Government Transfers						
Total Expenditures						

Prepared by:

Barangay Treasurer

Approved by:

Punong Barangay