



Republic of the Philippines  
DEPARTMENT OF FINANCE  
**BUREAU OF LOCAL GOVERNMENT FINANCE**  
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**BLGF MEMORANDUM CIRCULAR NO. 002.2019**  
03 January 2019

**FOR : All BLGF Central and Regional Directors; All Provincial, City and Municipal Treasurers; and Others Concerned**

**SUBJECT : Clarification on the Basis of the Local Disaster Risk Reduction and Management Fund (LDRRMF)**

This Memorandum Circular (MC) is issued to guide all concerned relative to the computation of the five percent (5%) LDRRMF of local government units (LGUs) pursuant to Section 21 of Republic Act (RA) No. 10121<sup>1</sup>. The provision of the law provides, in part, that not less than 5% of the **estimated revenue from regular sources** of LGUs shall be set aside as the LDRMMF.

Further, the Local Government and Regional Coordination Bureau of the Department of Budget and Management (LGRCB-DBM) stated in a letter dated 16 November 2018 that the reference made to the BLGF MC No. 16-2015<sup>2</sup> dated 19 June 2015 for the Local Budget Memorandum (LBM) Nos. 74<sup>3</sup> dated 15 June 2016, 75<sup>4</sup> dated 01 June 2017 and 77<sup>5</sup> dated 15 May 2018, was made with the intention of guiding the LGUs in **determining which of their potential revenues can be considered as "regular"** and *not to refer to the actual revenue from regular sources* as the basis of the 5% LDRRMF of LGUs. Thus, the basis of the 5% LDRRMF of LGUs under RA No. 10121 shall still be the **estimated revenue from regular sources**.

The Regional Directors of this Bureau are hereby instructed to widely and immediately disseminate this Circular to all concerned.

Be guided accordingly.

  
**NIÑO RAYMOND B. ALVINA**  
Executive Director  
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<sup>1</sup> Philippine Disaster Risk Reduction and Management Act of 2010

<sup>2</sup> Local Public Financial Management (PFM) Tools for the Electronic Statement of Receipts and Expenditures (which include the Guidebook for the New Local Government Financial Performance Monitoring System)

<sup>3</sup> FY 2017 Internal Revenue Allotment and Guidelines on the Preparation of the FY 2017 Annual Budgets of Local Government Units

<sup>4</sup> FY 2018 Internal Revenue Allotment and Guidelines on the Preparation of the FY 2018 Annual Budgets of Local Government Units

<sup>5</sup> FY 2019 Internal Revenue Allotment and Guidelines on the Preparation of the FY 2019 Annual Budgets of Local Government Units