Republic of the Philippines
DEPARTMENT OF FINANCE
BUREAU OF LOCAL GOVERNMENT FINANCE
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BLGF MEMORANDUM CIRCULAR NO. 005.2018
22 January 2018

FOR : **All BLGF Central and Regional Directors; All Local Treasurers and Assistant Local Treasurers; and Others Concerned**

SUBJECT : **Updated Implementing Guidelines of Department Order No. 054.2016, dated 25 October 2016, on the Issuance of Certificate of Net Debt Service Ceiling and Borrowing Capacity (NDSC/BC) of Local Government Units (LGUs)**

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1. LEGAL BASES. This Memorandum Circular is issued under the following authorities:

1.1. *Section 43 (c) of Executive Order No. 127, s. 1987,* which mandates the Bureau of Local Government Finance (BLGF) to develop and promote plans and programs for the improvement of credit utilization schemes, among others, at the local levels;

1.2. *Department Order (DO) No. 054.2016 dated 25 October 2016*, issued by the Secretary of Finance, which provides that the BLGF shall be responsible in the validation of the accuracy and completeness of the documentary requirements, computation of the NDSC and BC, and issuance of the Certificate; and

1.3. *Circular No. 926 Series of 2016, dated 13 September 2016,* issued by the Governor of the Bangko Sentral ng Pilipinas, which requires a valid BLGF certification on the borrowing and debt service capacity of the LGU in rendering a Monetary Board (MB) opinion, which will refer only to the amount that is within the borrowing capacity.

2. POLICY AND OBJECTIVES. In pursuance of the abovementioned mandates and in line with the BLGF Quality Policy, it is the goal of the BLGF to (i) deliver quality service standards in the evaluation, processing and issuance of Certificate of NDSC/BC of LGUs; (ii) build the capacity of concerned units and personnel in the proper monitoring of LGU loans and borrowings; and (iii) provide relevant information concerning the magnitude, trends and patterns of loans and borrowings of LGUs, including the analysis on the number of certificates issued by level, type, and purpose of the loans and borrowings on a quarterly and annual basis.

3. GENERAL GUIDELINES. In evaluating the streamlined documentary requirements set under DOF DO No. 054.2016, the following guidelines shall be complied with:

3.1. *Section 3.1 of DO No. 054.2016*: The **Letter-request from the Local Chief Executive (LCE)** shall indicate (i) the selected lending institution; (ii) the terms and conditions of the proposed loan (repayment period and interest rate); and (iii) the specific purpose of the loan.

3.1.1. Interested LGUs may use the ***Annex A – Application Letter-request Template*** for reference. Data needed in the letter-request may be secured

from the lending institution thru its Offer Sheet and may be attached to support the application for BLGF certification.

3.1.2. Only the letter-request bearing the original signature of the concerned LCE shall be accepted. Facsimile or printed electronic signature shall not be allowed.

3.2. *Section 3.2 of DO No. 054.2016*: The **Certification by the Local Treasurer of presence or absence of loan/s** must include the following details: (i) types of loan/s and other obligations contracted; (ii) purpose of loan/s and other obligations contracted; (iii) name of the lending institution/s; (iv) date of approval and maturity of loan/s; (v) terms and conditions (interest rate and number of years to pay); (vi) remaining balances of loan/s and other obligation/s; and (vii) annual amortization schedules (segregating the principal from the interest) issued by the lending institution/s.

3.2.1. The Local Treasurer shall use ***Annex B – Certification on Existing/Absence of Loans Template*** for this purpose. The required information must be supplied in the certification;

3.2.2. Only the certification bearing the original signature of the Local Treasurer shall be accepted. Facsimile or printed electronic signature shall not be allowed; and

3.3. *Section 3.3 of DO No. 054.2016*: The **Commission on Audit (COA) Annual Audit Certificate for the most recent year** shall be supported by the year-end financial reports for the past three (3) years: (i) Pre-closing Trial Balance, (General Fund); and (ii) detailed Statement of Financial Performance.

3.3.1. The COA Audit Certificate of the immediately preceding year shall be required. If at the time of application with the BLGF the same is not yet issued by COA, the report of the first preceding year shall be submitted, provided that the latest year-end financial report duly stamped as received by COA shall form part of the submission;

3.3.2. Adverse findings refer to observations of COA on local financial management and matters specifically concerning the Local Treasurer, such as, but not limited to:

3.3.2.1. Unremitted and undeposited collection;
3.3.2.2. Unliquidated cash advances;
3.3.2.3. Unremitted mandatory contributions to GSIS, PAGIBIG, Philhealth, withholding tax to BIR, etc.;
3.3.2.4. Unreconciled cash book with the Bank Reconciliation Statement and Subsidiary Ledger.

3.3.3. For LGUs with adverse findings on its latest COA Annual Audit Report, an **Agency Action Plan and Status of Implementation (AAPSI)** duly received by COA shall be required. The status of recommendations in the AAPSI may be validated by the BLGF, if necessary.

3.4. *Section 3.4 of DO No. 054.2016*: If the **Lending Institution** is (1) not an authorized government depository bank or (2) an authorized government bank required to obtain the prior approval of the DOF, as provided under Department Circular (DC) No. 002.2016 dated 8 July 2016, as amended by DC No. 001.2017 dated 11 May

2017, **a Certification stating that it shall not require LGU deposits as compensating balance for the loan** shall be required;

3.4.1. If the lending institution of the LGU is any of the following, the Certification shall not be required:

3.4.1.1. Land Bank of the Philippines (LBP);
3.4.1.2. Development Bank of the Philippines (DBP);
3.4.1.3. Philippine Postal Savings Bank, Inc. (PPSB), now renamed as "Overseas Filipino Bank, Inc., a Savings Bank of LANDBANK";
3.4.1.4. Al Amanah Islamic Investment Bank of the Philippines (AAIIBP);
3.4.1.5. United Coconut Planters Bank (UCPB);
3.4.1.6. Philippine Veteran's Bank (PVB); and
3.4.1.7. Municipal Development Fund Office (MDFO).

3.5. *Section 4 of DO No. 054.2016*: The **Documentary Requirements for LGUs Affected by Natural and/or Man-Made Disasters** shall pertain to the documents required in Sections 3.1 and 3.2 of DO No. 054.2016 and the certified copy of the declaration of state of calamity.

3.5.1. The LGU applying under the circumstances specified in Section 4 of DO No. 054.2016 shall be required to submit a certified copy of declaration of national or local authorities to the effect that the LGU is under a state of calamity. Such declaration could either be (i) a certified copy of the declaration issued by the President of the Philippines, or (ii) a Resolution of the concerned *Sanggunian*;

3.5.2. The period of one (1) year shall be reckoned from the date indicated on the declaration of the President or the *Sanggunian* Resolution; and

3.5.3. Only the requirements set under 3.1 and 3.2 hereof shall be submitted.

3.6. *Section 6 of DO No. 054.2016*: **Effectivity and Applicability of the Certificate of NDSC/BC.** The Certificate of NDSC/BC shall have one (1) year effectivity and validity, in the case of regular LGU applications, or a period of two (2) years, in the case of disaster-stricken LGUs, which shall be reckoned from the date indicated on the Certificate of NDSC/BC.

3.6.1. A new certification shall be secured under the following circumstances:

i. Change in the terms and conditions, financing institution/s, or the loan purpose is no longer reflective of the actual requirement of the LGU at the time of the approval.

ii. Refinancing or restructuring of existing loan/s, either to extend the duration or increase the principal; and

iii. Other circumstances affecting the content or integrity of the certificate.

3.7. No additional requirements, fees, or conditions shall be imposed, nor any authority issued to a BLGF employee to negotiate for and in behalf of the LGU with any lending institutions, service provider, or supplier, directly or indirectly, relative to the processing of the BLGF Certification. The Sanctions provided under Section 8 of DO No. 054.2016 shall apply with respect to violations of the said DO.

4. OPERATIONAL GUIDELINES. To operationalize efficiently the foregoing provisions and Sections 5 and 7 of DO No. 054.2016, the following guidelines are hereby adopted:

4.1. **Responsibilities of the Local Treasurer.** As financial adviser of the LGU regarding the disposition of local government funds and on such other matters relative to public finance, the Local Treasurer shall:

4.1.1. Inform the LCE that all application for loans/borrowings shall require a Certificate of NDSC/BC, and that the application or request for revocation of the old certificate and issuance of a new one to conform with the changes in lending institutions, purpose, terms of loans, and interest rate, therefore shall be filed directly with the BLGF Regional Office (BLGF RO), except for LGUs in NCR, which shall file directly with the BLGF Central Office (BLGF CO);

4.1.2. Provide assistance to the LCE and ensure the completeness and orderliness of the application. **Annex A1 – Checklist of Documentary Requirements for the Issuance of Certificate of NDSC/BC** may be used as a guide;

4.1.3. As may be applicable, submit personally or through his/her duly authorized representative the LGU application letter-request together with the documentary requirements for the issuance of Certificate of NDSC/BC. The authorized representative must present a written authority bearing the original signature of the concerned Local Treasurer, and valid IDs;

4.1.4. In case of request for revision, return the original copies of the issued Certificates to the RO; and

4.1.5. Immediately inform the BLGF RO or CO using **Annex D – Letter of Local Treasurer if Loan is Disapproved/Not Pursued**, in case the loan application of the LGU has been disapproved by the lending institution or not pursued by the LGU, citing the corresponding certificate number of the Certificate of NDSC/BC.

4.2. **Responsibilities of the BLGF Regional Office**

4.2.1. The Regional Director shall assign a regular Financial Analyst (FA) or, in the absence thereof, a regular Local Treasury Operations Officer (LTOO), as Action Officer to accept applications from the LGUs within its jurisdiction, submitted thru mail or personally by the concerned LCE or local treasurer, or their duly authorized representative.

4.2.2. Check the completeness and orderliness of the documentary requirements submitted;

4.2.3. Return to the LGU the application, together with a Notice of Deficiency in Documentary Requirements, if found incomplete and not in order;

4.2.4. Acknowledge receipt of application, if found complete;

4.2.5. Make a preliminary computation of the NDSC/BC in accordance with Sections 5.1 and 5.2 of DO No. 054.2016. The COA audited financial statements submitted by the LGU shall be used as the basis for the computation of the NDSC/BC. The approved SRE reports may also be used for validation and preliminary computation;

4.2.6. Prepare the endorsement letter to the BLGF CO together with the following:

i. Checklist (Annex A1) duly signed by the Action Officer and the Regional Director, and the accompanying documentary Requirements; and
ii. Preliminary computations (Enclosures A, B and C).

4.2.7. Send through email address at ldmed@blgf.gov.ph the excel file of preliminary computations (Enclosures A, B and C) for evaluation; and

4.2.8. The BLGF RO's service standard period from acceptance of LGU application with complete documentary requirements to the issuance of endorsement to BLGF CO Action Officer shall have a maximum of fifteen (15) working days.

4.3. **Responsibilities of BLGF Central Office**

4.3.1. The Chief of Local Debt Monitoring and Evaluation Division (LDMED) shall assign the request to regular employees as Action Officer who shall evaluate the following:

i. Application Letter-Request;
ii. Checklist (Annex A1) and the accompanying documentary Requirements; and
iii. The preliminary computations (Enclosures A, B, C) made by the RO.

4.3.2. Upon receipt of the endorsed application for the issuance of Certificate of NDSC/BC and preliminary computations, the assigned Action Officer shall validate the completeness and orderliness of the documentary requirements and the correctness of the preliminary computation of NDSC/BC as prescribed in Sec. 3 of this circular;

4.3.3. Any deficiency observed shall cause the issuance of a Notice of Deficiency in Documentary Requirements, copy furnished BLGF RO. The LGU shall be allowed to comply with their deficiency within 30 days from date of receipt of the Notice of Deficiency. If not complied with within 30 days, the BLGF CO shall issue a Notice of Return of Application Without Action and return the application to the concerned LGU;

4.3.4. In case of applications of LGUs outside NCR directly submitted to the BLGF CO, endorse the application to the concerned BLGF RO within three (3) days from its receipt;

4.3.5. In case of applications of LGUs in NCR, submitted thru mail or personally by the concerned LCE or local treasurer, or their duly authorized representative:

4.3.5.1. Check the completeness and orderliness of the documentary requirements submitted;

4.3.5.2. Return to the LGU the application, together with a Notice of Deficiency in Documentary Requirements, if found incomplete and not in order;

4.3.5.3. Acknowledge receipt of application, if found complete; and

4.3.5.4. Compute the NDSC/BC in accordance with Sections 5.1 and 5.2 of DO No. 054.2016.

4.3.6. The BLGF CO's service standard for the checking of completeness and orderliness of documentary requirements and preliminary computations, shall not exceed ten (10) working days, reckoned from the date the Action Officer received the LGU application, together with the documentary requirements, or to the issuance of a Notice of Deficiency in Documentary

Requirements, or submission to the BLGF Executive Director for approval of the NDSC/BC;

4.3.7. The Office of the Executive Director shall, within five (5) days upon receipt of duly evaluated LGU application and in the absence of any legal impediments, approve and clear the release of the Certificate of NDSC/BC to the concerned LGU, and the Monthly Inventory Report of Issued Certificates for general public information;

4.3.8. Furnish the BLGF ROs the Monthly Inventory Report of Issued Certificates thru their official email address every 10th of the following month for monitoring purposes;

4.3.9. Furnish the Bangko Sentral ng Pilipinas the Monthly Inventory Report of Issued Certificates to facilitate the issuance of MB Opinion, every 15th of the month; and

4.3.10. Publish in the BLGF Website every 15th of the following month the summary of issued Certificates to inform the public of loan applications of the LGUs.

5. **MONITORING OF LGU LOANS AND BORROWINGS.** In accordance with Section 7 of DO No. 054.2016, all LGU loans and borrowings shall be regularly monitored by the BLGF using the simplified Statement of Indebtedness, Payments and Balances (SIPB).

5.1. **Responsibilities of the Local Treasurer.** In addition to the responsibilities set under 4.1 hereof, the Local Treasurer shall perform the following functions:

5.1.1. Prepare the SIPB using the prescribed BLGF form ***(Annex E – Simplified SIPB)***;

5.1.2. Coordinate with the Local Accountant in completing the annual SIPB report by requesting for the data on the remaining loan balance (principal and interest). In case of bond flotation, request data on deposit to bond sinking fund and sinking fund balance to date;

5.1.3. For LGUs with loan/s, submit the annual SIPB report on or before 31st of March of the ensuing year to the respective BLGF RO except for LGUs in the NCR to submit directly to the BLGF CO;

5.1.4. Within ten (10) days after the approval and/or initial release of a newly contracted loan, submit SIPB report to the respective BLGF RO except for LGUs in the NCR to submit directly to the BLGF CO; and

5.1.5. For LGUs without loan/s, certify that it has no existing loan, and submit to the respective BLGF RO except for LGUs in the NCR to submit directly to the BLGF CO.

5.2. **Responsibilities of the BLGF RO.** The BLGF ROs shall:

5.2.1. Require the Local Treasurers to submit to BLGF RO the SIPB annually;

5.2.2. Assist the Local Treasurers in accomplishing the SIPB;

5.2.3. Regularly monitor LGU compliance on SIPB submission, and consolidate SIPB reports using the BLGF prescribed template and submit to BLGF CO on or before 30th of April of every year; and

5.2.4. Submit to the BLGF CO every 15th of the month a status report of issued certificate based on the Monthly Inventory Report of Issued Certificates furnished by the BLGF CO.

5.3. **Responsibilities of the BLGF CO.** The BLGF CO, through the LDMED, shall:

5.3.1. Regularly monitor NCR LGU and Regional compliance on SIPB submission, and consolidate SIPB reports using the BLGF prescribed template on or before 31st of May of every year;

5.3.2. Prepare a consolidated report on the annual SIPB for policy formulation purposes of the BLGF and for submission to the DOF and other stakeholders requiring/requesting the report; and

5.3.3. Provide SIPB report/s compliance to concerned agencies for performance monitoring and evaluation purposes.

6. **Repealing Clause.** This circular amends BLGF Memorandum Circular No. 11-003-2016, dated 17 November 2016 and BLGF Memorandum Circular No. 005-2016, dated 26 February 2016. All Bureau orders and issuances or parts thereof that are inconsistent herewith are hereby repealed or modified and amended accordingly.

7. **Effectivity.** This Circular shall take effect immediately.

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
OIC Executive Director
01697

Annex A
Application Letter-request

Date

Mr. NIÑO RAYMOND B. ALVINA
OIC Executive Director
Bureau of Local Government Finance
Department of Finance
8th floor, EDPC Bldg., BSP Complex,
Roxas Blvd., Malate, Manila

Thru: (Name of Regional Director)
(Address of BLGF-Regional Office)

Dear **Director ALVINA:**

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

Credit Facility	Term of Loan	Amount of Loan
▪ [*Indicate the purpose of the loan as stated in the approved Resolution.*]	▪ [*Indicate the number of years to pay including grace period and the interest rate (Refer to Offer Sheet from the lending institution)*]	▪ [*Indicate the amount of proposed loan*]

Attached are the documents required to facilitate our request in compliance with DOF DO No. 054.2016, dated 25 October 2016, to wit:

1. Certification by the Local Treasurer of presence or absence of loan/s;
2. Commission on Audit (COA) Annual Audit Certificate for the most recent year, supported by year-end financial reports for the past three (3) years, and the Agency Action Plan and Status of Implementation (AAPSI) of the latest Annual Audit Report (AAR) recommendations if the LGU had adverse findings; [and]

[*Include the following item 3 if the lending institution is (1) not an authorized government depository bank or (2) an authorized government depository bank but required to obtain the prior approval of the BLGF.*]

3. Certification issued by the lending institution stating that it shall not require LGU deposits as compensating balance for the loan.

The authorized representative/s of the (LGU Type) is/are Mr/Ms (Name of the Local Treasurer) and Mr/Ms who shall be the focal person/s for this application. He/She/They may be contacted thru (Tel No/ Mobile No/ Email Address) .

[*Choose one mode of receipt of the Certificate.*]
Kindly send the certificate thru registered mail.
We will pick up the certificate thru our authorized representative.

Thank you.

Very truly yours,

Name and Signature
Title of LCE

Annex A1

Checklist of Documentary Requirements
for the Issuance of Certificate of NDSC/BC

Name of LGU: _____ Date of Application: _____

	REQUIREMENTS
1.	**Application Letter-request (Annex A)** from the Local Chief Executive indicating: i. The lending institution, ii. Terms and conditions of the proposed loan a) repayment period, and b) interest rate iii. The purpose of the loan. *Note: Refer to Offer Sheet prepared by the lending institution (maybe attached to fast track evaluation/validation process)*
2.	**Certification of presence/absence of loan/s by the Local Treasurer (Annex B)** with the following details: i. Types of loans & other obligations contracted; ii. Purpose of the loans & other obligations contracted; iii. Name of the lending institutions; iv. Date of approval & maturity; v. Terms & conditions (interest rate & number of years to pay); vi. Remaining balances of loans and other obligations; and **vii. Annual amortization schedules (segregating the principal from the interest) issued by the lending institution/s**
3.	**Commission on Audit (COA) Annual Audit Certificate** for the most recent year, which shall be supported by the year-end financial reports for the past three (3) years: i. Pre-closing Trial Balance (GF) ii. Statement of Financial Performance *An **Agency Action Plan and Status of Implementation (AAPSI)** of Latest Annual Audit Report Recommendations report on COA recommendations shall be required, while they may only be 'qualified' and not 'adverse', if findings pertain to local financial management and treasury matters or specifically concern the local treasurer, such as, but not limited to: (i) Unremitted and undeposited collection; (ii) Unliquidated cash advances; (iii) Unremitted mandatory contributions of GSIS, PAGIBIG, Philhealth, withholding tax to BIR and (iv) Unreconciled cash book with the Bank Reconciliation Statement and Subsidiary Ledger.* *In case COA cannot render an opinion due to non-submission of financial reports, submit COA's Letter to the Management and the AAPSI. If a Disclaimer is rendered, submit AAPSI.* ***Note: AAPSI is not required unless COA has rendered Unqualified Opinion.***

	20___	20___	20___
i. Pre-closing Trial Balance (GF)			
ii. Statement of Financial Performance			

Annex A1

Checklist of Documentary Requirements
for the Issuance of Certificate of NDSC/BC

	REQUIREMENTS
4.	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 Circular No. 01.2017 dated 11 May 2017. If the lending institution of the LGU is any of the following, as indicated in the letter request or Offer Sheet, the Certification shall not be required: 1. Land Bank of the Philippines (LBP); 2. Development Bank of the Philippines (DBP); 3. Philippine Postal Savings Bank, Inc. (PPSB), now renamed as "Overseas Filipino Bank, Inc., a Savings Bank of LANDBANK"; 4. Al Amanah Islamic Investment Bank of the Philippines (AAIIBP); 5. United Coconut Planters Bank (UCPB); 6. Philippine Veteran's Bank (PVB); and 7. Municipal Development Fund Office (MDFO).

Annex B
Certification of Local Treasurer on Existing/Absence of Loans

CERTIFICATION

This is to certify that the ____(Name of LGU)____ has (existing loan/s, as follows; or 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 Borrowing Capacity from the Bureau of Local Government Finance.

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

(Name and Signature)
Provincial/City/Municipal Treasurer

Annex C

Agency Action Plan and Status of Implementation (AAPSI)

CY ____ Annual Audit Report

Ref.	Audit Observations	Audit Recommendations	Agency Action Plan				Status of Implementation	Reason for Partial/Delay/Non-Implementation, if applicable	Action Taken/Action to be taken
			Action Plan	Person/Dept. Responsible	Target Implementation				
					From	To			

Prepared by:

_____
Local Treasurer

_____
Local Accountant

Approved:

_____
Local Chief Executive

_____
Date

Received:

_____
COA Auditor

_____
Date Received

Note: *Status of Implementation may either be (a) Fully Implemented (b) Ongoing (c) Not Implemented (d) Partially Implemented (e) Delayed*

Annex E

Simplified Statement of Indebtedness, Payments and Balances (SIPB)

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
1	LGU Income Classification	
2	Date of Report	
3	Lending Institution ***(Bank or Creditor)***	
4	Certificate Number – NDSC/BC	
5	Date of Certification – NDSC/BC	
6	Monetary Board (MB) Resolution Number	
7	Date of MB Opinion	
8	Date of Approval of Loan	
9	Amount Approved*	
10	Maturity Date	
11	Type of Indebtedness Instrument ***(Loan, Bond or other form of indebtedness)***	
12	Purpose of Indebtedness	
13	Terms and Conditions: Fixed or Variable	
14	Terms and Conditions: No. of Years of Indebtedness	
15	Terms and Conditions: Interest Rate	
16	Terms and Conditions: Grace Period ***(Number of Months or Years)***	
17	Frequency of Payment	
18	Annual Amortization: Principal	
19	Annual Amortization: Interest	
20	Annual Amortization: Gross Receipt Tax (GRT)	
21	Starting Date of Payment	
22	Cumulative Payment from Starting Date: Principal	
23	Cumulative Payment from Starting Date: Interest	
24	Cumulative Payment from Starting Date: GRT	
25	Total Amount Released ***(Availment as of date)***	
26	Remaining Balance to Date / Undrawn Amount ***(Line 9-25=26)***	
27	Outstanding Loan Balance After Principal Payment ***(Line 9-22=27)***	
28	Arrears: Principal (if any)	
29	Arrears: Interest (if any)	
30	Collateral Security	
31	Deposit to bond sinking fund for the year	
32	Sinking fund balance to date, if any	
33	Breakdown of fees and other related costs (of loan)	
34	Other relevant terms and conditions (of loan)	

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 DOF 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
4	Number	Issued Certificate Number of Borrowing Capacity.	NDSC/BC issued by BLGF
5	Date (mm/dd/yyyy)	Input the issue date of Certificate of Net Debt Service and Borrowing Capacity (CNDSBC) by BLGF.	CNDSBC issued by BLGF
6	Number	Loans from GFI (DBP/LBP) passes through the Monetary Board. Refer to the MB resolution number provided.	Bangko Sentral ng Pilipinas (BSP)
7	Date (mm/dd/yyyy)	Refer to the MB resolution date of approval.	Bangko Sentral ng Pilipinas (BSP)
8	Date (mm/dd/yyyy)	Date of Approval of Loan.	Loan Agreement
9	Amount	Indicate the principal approved amount of loan.	Loan Agreement
10	Date (mm/dd/yyyy)	Indicate the date that the loan finally becomes due or date of settlement or completion of payment.	Loan Agreement
11	Description List – Kind of indebtedness	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
12	Description List – 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
13	Description List	Specify If the loan rate is fixed or variable (floating), indicate the base and spread.)	Loan Agreement
14	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
15	Rate	Indicate the agreed interest rate of the loan.	Loan Agreement
16	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
17	Amount	Indicate the amount of annual principal payment made based on amortization schedule.	Loan Agreement
18	Pre-defined Answer	Indicate the agreed frequency of payment: Monthly, Quarterly, Semi-annually, or Annually Select only one answer.	Loan Agreement
19	Amount	Indicate the amount of annual interest payment made based on the amortization schedule.	Loan Agreement
20	Amount	Indicate the amount of annual Gross Receipt Tax (GRT) payment made based on the amortization schedule.	Loan Agreement
21	Date (mm/dd/yyyy)	Indicate the 1st date of payment in relation to the amortization schedule.	Record of Debt Service (RDS) Amortization Schedule

Item No.	Information Type	Instruction	Source of Information
22	Amount	Indicate the amount of cumulative principal payment made from starting date of payment.	RDS-Amortization Schedule
23	Amount	Indicate the amount of cumulative interest payment made from starting date of payment.	RDS-Amortization Schedule
24	Amount	Indicate the amount of cumulative GRT payment made from starting date of payment.	RDS-Amortization Schedule
25	Amount	Indicate the total amount that the lending institution released to the LGU.	Loan Agreement
26	Amount	Indicate the remaining unreleased balance as of the reporting date. ***(Line 9-25=26)***	Accounting Office Subsidiary Ledger
27	Amount	Indicate the outstanding loan balance after principal payment, as of the reporting date. ***(Line 9-22=27)***	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 the collateral if any, attached to the loan/s	Loan Agreement
31	Amount	Indicate the amount set aside for the installment payment of maturing loans / bonds	Accounting
32	Amount	Indicate the cumulative balance of sinking fund if any, reporting date.	Accounting
33	Description List/ Amount	There are costs associated in each loan. Enumerate here the fees and other related cost incurred to facilitate the loan. i.e. Documentary Stamp Fees, Up-front Fees and Commitment Fees	LGU
34	Description List	If any, and other than the terms and conditions indicated above, enumerate herewith the other relevant terms.	Loan Agreement

- SOURCES OF SIPB INFORMATION –

Annex D

Letter of Local Treasurer if Loan is Disapproved/Not Pursued

_____Date_____

Mr. Niño Raymond B. Alvina
OIC Executive Director
Bureau of Local Government Finance
Department of Finance
8th floor, EDPC Bldg., BSP Complex,
Roxas Blvd., Malate, Manila

Dear **Director ALVINA:**

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

Certificate No.:	
Date Issued :	
Amount of NDSC:	PhP
Amount of BC:	PhP
Purpose of Loan:	

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

For your information.

Very truly yours,

_____
Provincial/City/Municipal Treasurer

Enclosure A

DETAILED STATEMENT OF INCOME SOURCES

Name of LGU: _____ **Income Classification:** _____

	2013	2014	2015	2016
Real Property Tax (RPT)	0.00	0.00	0.00	
Less: Discount	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 Ownership	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	
- Motor Vehicles User Charges	0.00	0.00	0.00	
- Other Permits & Licences	0.00	0.00	0.00	
- Fishery Rental Fees	0.00	0.00	0.00	
- Franchising and Licensing Fees	0.00	0.00	0.00	
- Fines & Penalties	0.00	0.00	0.00	
- Registration Fees	0.00	0.00	0.00	
- Registration Plates, Tags & Sticker Fees	0.00	0.00	0.00	
Service Income				
- Clearance/Certificates/Fees	0.00	0.00	0.00	
- Affiliation 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	
- Library Fees	0.00	0.00	0.00	
- Hospital Fees	0.00	0.00	0.00	
- Occupation Fees	0.00	0.00	0.00	
- Processing Fees	0.00	0.00	0.00	
- Landing and Parking Fees	0.00	0.00	0.00	

Enclosure A

- Other Service Income	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 Canteen-Operations-Trng. Center	0.00	0.00	0.00	
- Income from Markets	0.00	0.00	0.00	
- Income from Transportation System	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	
- Rent Income	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	
- Fines and Penalties Business Income	0.00	0.00	0.00	
Other Income	**0.00**	**0.00**	**0.00**	
- Interest Income	0.00	0.00	0.00	
- Sales Revenue - Demo Farm	0.00	0.00	0.00	
- Insurance Income	0.00	0.00	0.00	
- Income fr Grants, Donations	0.00	0.00	0.00	
- Other (Miscellaneous) Income	0.00	0.00	0.00	
- Subsidy from (Other Funds)	0.00	0.00	0.00	
- Gain on Sale of Disposed Asset	0.00	0.00	0.00	
- Other Fines and Penalties - Other Income	0.00	0.00	0.00	
Internal Revenue Allotment	**0.00**	**0.00**	**0.00**	**0.00**
Other Share from National Tax Collection	**0.00**	**0.00**	**0.00**	
Share from Evat	0.00	0.00	0.00	
Share from PAGCOR/PCSO	0.00	0.00	0.00	
Share from National Wealth	0.00	0.00	0.00	
GRAND TOTAL	**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 Borrowing Capacity.*

Enclosure B

COMPUTATION OF ANNUAL REGULAR INCOME

(In Thousand Pesos)

A. Locally Sourced Income				
Item	**2013**	**2014**	**2015**	**Average**
1. Real Property Taxes	-	-	-	-
2. Business Taxes	-	-	-	-
3. Fees and Charges	-	-	-	-
4. Receipts from Eco. Ent.	-	-	-	-
5. Other Income - Interest Income	-	-	-	-
Total	-	-	-	-

B. Other Shares from National Tax Collection				
Item	**2013**	**2014**	**2015**	**Average**
1. Share from E-VAT	-	-	-	-
2. Share from PAGCOR/PCSO	-	-	-	-
3. Share from National Wealth	-	-	-	-
Total	-	-	-	-

C. Current Year IRA (2016)	-

ANNUAL REGULAR INCOME (A+B+C)	-

Note:

IRA in the Average Annual Income is based on CY 2016 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 Borrowing Capacity.*

Enclosure C

NET DEBT SERVICE CEILING AND BORROWING CAPACITY
FY 2016

(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 (Principal + Interest)	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)
2016	-	-	-	-	-	-	-	-

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 2016 is determined based on the average locally sourced income and share from national tax collection for the past 3 years plus CY 2016 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:

_____
Financial Analyst

Noted by:

_____
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 Borrowing Capacity.*