

Republic of the Philippines DEPARTMENT OF FINANCE **BUREAU OF LOCAL GOVERNMENT FINANCE**



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BLGF MEMORANDUM CIRCULAR NO. 008.2024 May 30, 2024

TO : All BLGF Central and Regional Directors; Provincial, City and Municipal Treasurers; and Others Concerned.

SUBJECT Procedure on the Submission of Quarterly Reports on Fund Utilization and Status of Program/Project Implementation on the Shares of LGUs from the Collections of Tobacco Excise Tax.

SECTION 1. LEGAL BASIS. Items 2.1 and 3.2 of Local Budget Memorandum (LBM) No. 89, dated November 10, 2023, of the Department of Budget and Management (DBM) entitled, "Guidelines on the Release and Utilization of the Shares of Local Government Units (LGUs) from the FY 2021 and Prior Years' Collections of Excise Tax on Locally Manufactured Virginia-Type Cigarettes Under Republic Act (RA) No. 7171, and Burley and Native Tobacco Excise Tax Pursuant to RA No. 8240, as Amended by RA No. 10351, and as Further Amended by RA No. 11346, Chargeable Against the Allocations to Local Government Units (ALGU) Under the FY 2023 General Appropriations Act (GAA), RA No. 11936."

SECTION 2. OBJECTIVE. This Memorandum Circular aims to: (i) provide the guidelines for Local Treasurers and BLGF Central Office (CO) and Regional Offices (ROs) on the posting and reportorial requirements of fund utilization and Status of Program/Project Implementation (SPPI) for FY2023, to be submitted to this Bureau on the monitoring of the shares of LGUs via the prescribed reportorial rules and regulations thereof; and (ii) ensure efficient, uniform, and timely submission of the required quarterly reports for FY2024 and succeeding years.

SECTION 3. OPERATIONAL GUIDELINES. In order to efficiently operationalize Item 3.2, of LBM No. 89, providing that the beneficiary LGUs shall also submit the quarterly reports on fund utilization and SPPI to the Department of Agriculture (DA) or National Tobacco Administration (NTA), DBM and BLGF concerned within thirty (30) days after the end of each quarter, the following guidelines shall be observed:

3.1 Responsibilities of the Local Treasurer

- **3.1.1** The Local Treasurer, in coordination with the members of the Local Finance Committee (LFC) and other local officials concerned shall prepare the required Report on Fund Utilization (RFU) and SPPI (see Annex A);
- **3.1.2** Submit the RFU and SPPI to BLGF CO *via* <u>www.blgf.gov.ph/Tobacco</u> on or before the 30th of the month following the end of each quarter until such time that the amount indicated in LBM No. 89, is fully received and utilized.

3.2 Responsibilities of the BLGF Regional Office

- **3.2.1** The BLGF ROs shall assign a regular Financial Analyst or, in the absence thereof, a regular Local Treasury Operations Officer as the Regional Focal Person, who shall be responsible on the review of the required quarterly reports. The Regional Focal Person shall check on the completeness and orderliness of the report submitted by the concerned Local Treasurer, and prepare an analysis thereof;
- **3.2.2** The BLGF ROs shall review the reports of LGUs within their respective jurisdiction, which shall be sent by the BLGF CO, and within fifteen (15) days from receipt thereof, the BLGF RO shall submit the consolidated and reviewed reports to BLGF CO.

3.3 Responsibilities of the BLGF Central Office

- **3.3.1** The BLGF CO's Local Financial Data Analysis Division (LFDAD) shall consolidate the reports of the LGUs and provide the data to the BLGF ROs within seven (7) days from the last day of submission of reports, for the purpose of the initial review and validation thereof;
- **3.3.2** The BLGF CO will review the regional reports and analyze the data contained in the reports submitted, and thereafter, forward the same to DBM, and which should be published in the BLGF website.

"Annex B" hereto attached provides the process flow on the operational guidelines under this Section 3, which forms part of this Memorandum Circular.

SECTION 4. APPLICABILITY TO SUCCEEDING FISCAL YEARS. The procedure and guidelines herein prescribed shall be applicable to all succeeding reporting years after FY2024, unless modified or repealed by a subsequent BLGF Memorandum Circular. The Operational Guidelines for the fiscal year concerned shall refer to the corresponding section or item in the LBM to be issued by the DBM for the release and utilization of shares of LGUs from excise taxes on tobacco products.

SECTION 5. REPEALING CLAUSE. All rules, regulations, orders, and/or Circulars previously issued by BLGF that are contrary to, or inconsistent with the provisions of this Memorandum Circular are hereby repealed and/or modified accordingly.

SECTION 6. EFFECTIVITY. This Memorandum Circular shall take effect immediately.

The Regional Directors of this Bureau are hereby instructed to immediately disseminate this Memorandum Circular to all concerned for their information, guidance, and strict compliance.



Share of Local Government Units from the Collection of Tobacco Excise Taxes under RA No. 7171 and RA No. 8240, as amended

Report on Fund Utilization and Status of Program/Project Implementation

For the Quarter Ended

Fund Source	Date of Notice of Authority to Debit Account Issued (NADAI)	Type of Program/Project	Name/Title of Program/Project	Specific Location	Mechanism/Mode of Implementation	Estimated Number of Beneficiaries	Amount			Estimated Period	Program/Project
							Recieved	Obligation	Disbursement	of Completion	Status (in Percent between 1 and 100)
The fund source shall be based on the NADAI issued by the Bureau of the Treasury to LGUS.	Must not be a future date	The type of program/project shall be idenified consistent with the authorized uses enumerated under the corresponding LBM.				The value must be a number	Amount recived refers to the amount recieved by the LGU as its share; it is the amount indicated in the NADAI.		Disbursement refers to the total amount paid by the LGU as of reporting period. (Amount must be less than or equal to the Amount of Obligation)	of completion refers to the projected date	to the percentage of

Annex A

Submission Procedure for Quarterly Reports on Fund Utilization and SPPI from Tobacco Excise Tax Collections

