

Simple Guide to the Report on the 20% Component of the IRA Utilization

The Report on the 20% Component of the IRA Utilization provides information on the utilization of the 20% component of the Internal Revenue Allotment (IRA), which is allocated for development projects for social development, economic development, and environmental management. The Local Government Code of 1991 states that each LGU should allocate 20% of the annual IRA for the Local Development Fund, which should be appropriated for development projects.

Preparation (1) Each concerned Office/Department Head prepares/fills in the required information of the form for the report;
(2) Local Budget Officer of the province, city or municipality, reviews the Annual Budget Report prepared by the Office/Department Head; and
(3) The Local Chief Executive, i.e., Mayor or Governor, approves the report.

The reports are prepared on a quarterly basis.

Form Used LBP Form No. 3. Programmed Appropriation and Obligation by Object of Expenditure

The five columns in LBP Form No. 3 indicates the following:

- (1) Object of expenditure,
- (2) Account Code,
- (3) Past Year,
- (4) Current Year, and
- (5) Budget Year

When to Post One week after the end of each quarter.

**PROGRAMMED APPROPRIATION AND OBLIGATION
BY OBJECT OF EXPENDITURE**

OFFICE / SPECIAL PURPOSE APPROPRIATIONS:

Object of Expenditure (1)	Account Code (2)	Past Year (3)	Current Year (4)	Budget Year (5)
1.0 Current Operating Expenditures 1.1 Personal Service Salaries & Wages-Regular Salaries & Wages-Others 1.2 Maintenance & Other Operating Expenses Travel Expenses Training and Scholarship Expenses 2.0 Capital Outlay Buildings & Other Structures Office Equipment Land Transport Equipment 3.0 Financial Expenses				
Total Appropriations				
Prepared: Department Head	Reviewed: Local Budget Officer	Approved: Local Chief Executive		