



Republic of the Philippines  
**DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT**  
A. Francisco Gold Condominium II, EDSA, Diliman, Quezon City

**OFFICE OF THE SECRETARY**

**MEMORANDUM CIRCULAR**  
**NO.2010 - 83**

**August 31, 2010**

**TO :** ALL PROVINCIAL GOVERNORS, CITY MAYORS, MUNICIPAL MAYORS, PRESIDING OFFICERS OF THE SANGGUNIANG PANLALAWIGAN, SANGGUNIANG PANLUNGSOD AND SANGGUNIANG BAYAN, ARMM REGIONAL GOVERNOR AND DILG REGIONAL DIRECTORS

**SUBJECT :** FULL DISCLOSURE OF LOCAL BUDGET AND FINANCES, AND BIDS AND PUBLIC OFFERINGS

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**Vision Statement**

The Framework of Governance of the Presidency demands a shared vision and harmony of actions in bringing about desirable development outcomes. Development is a shared responsibility. After all, local autonomy means valuing of performance, meaningful development and of public accountability.

Guided by the foregoing principles, the Department of the Interior and Local Government is committed to aggressively scale up interventions to elevate the practice of governance that values transparency, accountability, participation and performance into an institutionalized status.

**Legal and Administrative Authority**

Section 352 of the Local Government Code of 1991 requires the posting within 30 days from the end of each fiscal year in at least three (3) publicly accessible and conspicuous places in the local government unit a summary of all revenues collected and funds received including the appropriations and disbursements of such funds during the preceding fiscal year.

On the other hand, Republic Act No. 9184, known as the Government Procurement Reform Act, calls for the posting of the Invitation to Bid, Notice of Award, Notice to Proceed and Approved Contract in the procuring entity's premises, in newspapers of general circulation, the Philippine Government Electronic Procurement System (PhilGEPS) and the website of the procuring entity.

The declared policy of the State to promote good local governance also calls for the posting of budgets, expenditures, contracts and loans, and procurement plans

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of local government units in conspicuous places within public buildings in the locality, in the web, and in print media of community or general circulation.

Furthermore, the President, in his first State of the Nation Address, directed all government agencies and entities to bring to an end luxurious spending and misappropriation of public funds and to expunge mendacious and erroneous projects, and adhere to the zero-based approach budgetary principle.

### **Responsibility of the Local Chief Executive**

All Provincial Governors, City Mayors and Municipal Mayors, are directed to faithfully comply with the abovesited provisions of laws, and existing national policy, by posting in conspicuous places within public buildings in the locality, or in print media of community or general circulation, and in their websites, the following:

1. CY 2010 Annual Budget, information detail to the level of particulars of personal services, maintenance and other operating expenses and capital outlay per individual offices (Source Document - Local Budget Preparation Form No.3, titled, Program Appropriation and Obligation by Object of Expenditure, limited to PS, MOOE and CO. For sample form, please visit [www.naga.gov.ph](http://www.naga.gov.ph));
2. Quarterly Statement of Cash Flows, information detail to the level of particulars of cash flows from operating activities (e.g. cash inflows, total cash inflows, total cash outflows), cash flows from investing activities (e.g. cash outflows), net increase in cash and cash at the beginning of the period (Source Document - Statement of Cash Flows Form);
3. CY 2009 Statement of Receipts and Expenditures, information detail to the level of particulars of beginning cash balance, receipts or income on local sources (e.g., tax revenue, non-tax revenue), external sources, and receipts from loans and borrowings, surplus of prior years, expenditures on general services, economic services, social services and debt services, and total expenditures (Source Document - Local Budget Preparation Form No. 2, titled, Statement of Receipts and Expenditures);
4. CY 2010 Trust Fund (PDAF) Utilization, information detail to the level of particulars of object expenditures (Source Document - Local Budget Preparation Form No. 3, titled, Program Appropriation and Obligation by Object of Expenditure, limited to PDAF Utilization);
5. CY 2010 Special Education Fund Utilization, information detail to the level of particulars of object expenditures (Source Document - Local Budget Preparation Form No. 3, titled, Program Appropriation and Obligation by Object of Expenditure, limited to Special Education Fund);

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6. CY 2010 20% Component of the IRA Utilization, information detail to the level of particulars of objects of expenditure on social development, economic development and environmental management (Source Document - Local Budget Preparation Form No. 3, titled, Program Appropriation and Obligation by Object of Expenditure, limited to 20% Component of the Internal Revenue Allotment);
7. CY 2010 Gender and Development Fund Utilization, information detail to the level of particulars of object expenditures (Source Document - Local Budget Preparation Form No. 3, titled, Program Appropriation and Obligation by Object of Expenditure, limited to Gender and Development Fund);
8. CY 2010 Statement of Debt Service, information detail to the level of name of creditor, purpose of loan, date contracted, term, principal amount, previous payment made on the principal and interest, amount due for the budget year and balance of the principal (Source Document - Local Budget Preparation Form No. 6, titled, Statement of Debt Service);
9. CY 2010 Annual Procurement Plan or Procurement List, information detail to the level of name of project, individual item or article and specification or description of goods and services, procurement method, procuring office or fund source, unit price or estimated cost or approved budget for the contract and procurement schedule (Source Document - LGU Form No. 02, Makati City. For sample form, please visit [www.makati.gov.ph](http://www.makati.gov.ph).)
10. Items to Bid, information detail to the level of individual Invitation to Bid, containing information as prescribed in Section 21.1 of Republic Act No. 9184, or The Government Procurement Reform Act, to be updated quarterly (Source Document - Invitation to Apply for Eligibility and to Bid, as prescribed in Section 21.1 of R.A. No. 9184. For sample form, please visit [www.naga.gov.ph](http://www.naga.gov.ph));
11. Bid Results on Civil Works, and Goods and Services, information detail to the level of project reference number, name and location of project, name (company and proprietor) and address of winning bidder, bid amount, approved budget for the contract, bidding date, and contract duration, to be updated quarterly (Source Document -Infrastructure Projects/Goods and Services Bid-Out (2010), Naga City. For sample form, please visit [www.naga.gov.ph](http://www.naga.gov.ph)); and
12. Abstract of Bids as Calculated, information detail to the level of project name, location, implementing office, approved budget for the contract, quantity and items subject for bidding, and bids of competing bidders, to be updated quarterly (Source Document - Standard Form No. SF-GOOD-40,

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Revised May 24, 2004, Naga City. For sample form, please visit [www.naga.gov.ph](http://www.naga.gov.ph));

**Responsibility of the  
DILG Regional Director, or  
ARMM Regional Governor**

1. Cause the immediate and widest dissemination of this Memorandum Circular;
2. Monitor LGU compliance to this Circular;
3. Ensure the posting by local authorities of the above-listed financial documents and transactions in the website, and in conspicuous places within public buildings in the locality, or in print media of community or general circulation;
4. In the event that a local government does not have a website, effect the posting of such financial documents and transactions through the DILG Regional Office website or the DILG Central Office website; and
5. Submit an Initial Compliance Report to the Office of the Secretary, through the Bureau of Local Government Supervision, before but not later than September 17, 2010. Quarterly reports shall be submitted beginning the end of 3rd quarter, CY 2010 and every quarter thereafter. It is understood that the Bureau of Local Government Supervision shall design a Monitoring and Reporting Form for the purpose.

**Sanctions**

Non-compliance with this Memorandum Circular shall be dealt with in accordance with pertinent laws, rules and regulations.

**Effectivity**

This Memorandum Circular shall take effect immediately.

  
JESSE M. ROBREDO  
Secretary