

DILG RO XIII
FILE



Republic of the Philippines
DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT
REGION XIII (CARAGA REGION)

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October 7, 2014

HON. ALEJANDRO S. BAUTISTA, JR.
Municipal Vice Mayor
Tago, Surigao del Sur

Attention: HON. CLINT ERNEST B. LAGMAN
Member, Sangguniang Bayan
Chair – Committee on Finance, Budget,
Appropriations and Ways and Means
Tago, Surigao del Sur

LBC 125719272331
DILG - REGION XIII
RELEASED
DATE: OCT 09 2014
TIME: 3:21 pm
BY: PAS

Dear Hon. Bautista:

This refers to your query whether the Local Government Unit of Tago can utilize the unobligated balance from the Personal Services (PS) account as one of the funding source (*sic*) for Supplemental Budget pursuant to Section 322 of the Local Government Code.

Noting the facts presented in your query, we invite your attention once again to Section 322 of the Local Government Code of 1991 (R.A. 7160), to wit:

“Section 322. Reversion of Unexpended Balances of Appropriations, Continuing Appropriations. - Unexpended balances of appropriations authorized in the annual appropriations ordinance shall revert to the unappropriated surplus of the general fund at the end of the fiscal year and shall not thereafter be available for the expenditure except by subsequent enactment. However, appropriations for capital outlays shall continue and remain valid until fully spent, reverted or the project is completed. Reversions of continuing appropriations shall not be allowed unless obligations therefor have been fully paid or otherwise settled.”



The balances of continuing appropriations shall be reviewed as part of the annual budget preparation and the sanggunian concerned may approve, upon recommendation of the local chief executive, the reversion of funds no longer needed in connection with the activities funded by said continuing appropriations subject to the provisions of this Section.”(Emphasis supplied)

Thus, the answer to your query is **negative**. It is unequivocal, plain and clear that the unexpended balances of appropriations authorized in the annual appropriation ordinance, in this case that for Personal Services (PS), shall revert to the unappropriated surplus of the general fund at the end of the fiscal year, i.e., December 31, 2014 for this year. From the time request for passage of a resolution / ordinance from the local chief executive up to this date, it is not yet the end of the fiscal year, so that there is no unappropriated surplus to speak of yet and the unexpended balance of the PS has not yet reverted as unappropriated surplus of the general fund. Hypothetically, even if today is the end of the fiscal year, the subject surplus is still not available unless there is a subsequent enactment, i.e., through an ordinance.

We hope to have satisfactorily addressed your concern. This opinion is rendered without prejudice to the decisions that competent higher authorities and the courts may subsequently decree.

Please course through your request for legal opinion in the future through your MLGOO or DILG Provincial Office. Thank you and God bless!

Very truly yours,


LILIBETH A. FAMACION, CESO IV
Regional Director 

cc: **Pedrito P. Alacaba**
Provincial Director
DILG-Surigao del Sur

Camelia A. Ruaza
MLGOO - Tago, Surigao del Sur

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