



REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT  
Francisco Gild Condominium II EDSA cor Maragmahal St.,  
Diliman, Quezon City



April 23, 1999

MEMORANDUM CIRCULAR  
NO. 99 - 65

TO : ALL PROVINCIAL GOVERNORS, CITY MAYORS, MUNICIPAL MAYORS, DILG REGIONAL DIRECTORS AND OTHERS CONCERNED

SUBJECT : AMENDING MEMORANDUM CIRCULAR NO. 98-136 DATED JULY 24, 1998 ENTITLED, REVISED GUIDELINES RELATIVE TO THE UTILIZATION OF FUNDS FOR INTELLIGENCE OR CONFIDENTIAL PURPOSES

I. PREFATORY STATEMENT

The promotion of peace and harmony is a shared responsibility between the national and local governments. Admittedly, while there are national government instrumentalities tasked to address criminality and other forms of lawlessness, local authorities are equally responsible for maintaining peace and order in their communities as provided for under the general welfare provision of the Local Government Code.

Pursuant to the Constitution and the said Code, the President shall exercise the power of general supervision over local government units to ensure that their acts are within the scope of their prescribed powers and functions.

The Framework of Governance of the Presidency demands the use of public funds in a manner that would ensure the long-term foundation of effective governance at the national and local government levels, among other concerns. Within this context, and consistent with the exercise of its administrative guidance function, the Department of the Interior and Local Government finds the need to review and revise existing guidelines on the use of funds for intelligence or confidential activities urgent and timely.

## II. POLICIES AND GUIDELINES

Within the purview of the general supervisory authority of the President, and pursuant to the pertinent provisions of Presidential Administrative Order No. 267, series of 1992, the Department of the Interior hereby enjoins all Provinces, Cities and Municipalities to adhere to the following policies and guidelines relative to the use of public funds for peace and order initiatives, or for intelligence or confidential undertakings:

1. An allocation for peace and order concerns may be provided in the annual budget of a local government unit. Provided, that peace and order is a priority investment area;
2. Funds for Intelligence or Confidential purposes may be sourced from the: (a) appropriations for peace and order, or (b) total annual appropriations. **Provided, that the total annual amount appropriated for Intelligence or Confidential undertakings shall not exceed thirty per cent (30%) of the total annual amount allocated for peace and order efforts or three per cent (3%) of the total annual appropriations, whichever is lower.**
3. The use of funds for Intelligence or Confidential activities shall be limited to the following: (a) purchase of information; (b) payment of rewards; (c) rental and other incidental expenses relative to the maintenance of safehouses; and (d) purchase of supplies and ammunitions, provision of medical and food aid, as well as, payment of incentives or travelling expenses relative to the conduct of intelligence or confidential operations;
4. Disbursements from the allocation for peace and order concerns, net of funds for intelligence or Confidential undertakings shall include, but not limited to, the following: (a) purchase of fire arms and other relevant equipment; (b) payment of allowances, hospitalization benefits and training subsidies; and (c) other Maintenance and Other Operating Expenditures, in favor of the personnel of the Philippine National Police, Bureau of Fire Protection and Bureau of Jail Management and Penology;
5. Provincial Governors, City Mayors and Municipal Mayors c

Supervision and the Undersecretary for Local Government for further review and evaluation, to the Secretary for consideration, together with the following documents:

1. Work Plan with Quarterly Presentation using DBM Local Budget Execution Form (LBEF - 250), in two (2) copies;
2. Financial Plan and Request for Allotment with Quarterly Presentation using DBM Local Budget Execution Form (LBEF - 251), in two (2) copies;
3. LBEF Forms 250 and 251 shall, at the bottom of each and every page of the accomplished forms, bear the notations: PREPARED BY [by the Budget Officer] and REVIEWED AND RECOMMENDING APPROVAL [by the Local Chief Executive];
4. Current Appropriations Ordinance, in two (2) copies;
5. Resolutions approved by a two-thirds (2/3) of the Peace and Order Council total membership indicating that peace and order is a priority problem in the locality and endorsing the utilization of funds for Intelligence or Confidential purposes;
6. Certification from the Local Treasurer as to the Availability of Funds; and
7. **Certification** from the PNP Chief of Police, City Director or Provincial Director, as the case may be, relative to the peace and order situation highlighting in concrete details the circumstances which require the allocation of funds for Intelligence or Confidential activities, and **Attested** by the PNP Provincial Director or Regional Director, as the case may be.

In addition to the usual supporting documents prescribed under applicable accounting and auditing rules and regulations, the above administrative requirements shall likewise form part of the enclosures of the Report on Intelligence or Confidential Fund Utilization, for liquidation and other purposes.

#### V. TECHNICAL ASSISTANCE AND RELATED ACTIONS

All DILG Regional Directors are likewise hereby directed to:

1. disseminate this Memorandum Circular to all local government units within their jurisdictions, and to see to it that the intent of this Department Directive is complied with; and
2. provide the necessary technical assistance, upon request, relative to the administrative and procedural requirements as indicated above.

#### VI. SANCTIONS


Any local official, who willfully or through negligence, violates any of the provisions of this Memorandum Circular shall be subject to the sanctions provided under the Local Government Code and under such other applicable laws.

#### VII. REPEALING CLAUSE

All existing Department issuances which are deemed inconsistent herewith are hereby modified or repealed accordingly.

#### VIII. EFFECTIVITY

This Memorandum Circular shall take effect immediately.

  
RONALDO V. PUNO  
Secretary

9/26/06