



COMMITTEE ON FINANCE AND BUDGET APPROPRIATION
And
COMMITTEE ON BARANGAY AFFAIRS

COMMITTEE REPORT
NOS. FBA2-076 and 077- S-2025 (6th SP)

Office of the Sangguniang Panlungsod
Received by: Jenot Pring
Date: 1 DEC 2025
8:41 am

Subject: REQUEST FOR APPROVAL OF RESOLUTIONS FROM BARANGAY MOLINO 3, BACOR CITY, CAVITE: BARANGAY RESOLUTION NO. 066, SERIES OF 2025 ENTITLED: "A RESOLUTION APPROVING THE REALIGNMENT OF THE SOLAR PANEL BUDGET FROM THE 20% DEVELOPMENT FUND AMOUNTING TO FIVE HUNDRED THOUSAND PESOS (PHP500,000.00) FOR THE PURPOSE OF PURCHASING INDUSTRIAL CEILING FAN FOR BARANGAY MOLINO 3". PCR 283-2025 dated November 24, 2025

Subject: REQUEST FOR APPROVAL OF RESOLUTION FROM BARANGAY ZAPOTE 1, BACOR CITY, CAVITE: BARANGAY RESOLUTION NO. 29, SERIES OF 2025 ENTITLED: "A RESOLUTION APPROVING THE REALIGNMENT OF FUNDS FROM THE PURCHASE OF GARBAGE TRUCK TO THE REHABILITATION OF DRAINAGE CANAL AMOUNTING TO EIGHT HUNDRED THOUSAND PESOS (PHP800,000.00)". PCR 286-2025 dated November 24, 2025

Referred to the Joint Committee on the 21st Regular Session of 6th Sangguniang Panlungsod the above-subject matters for appropriate action and recommendation.

In relation to the request for realignment of funds, the specific provision of the Local Government Code and the DBM Local Budget No. 92, Series of 2025 (Guidelines for the Utilization of 20% Development Fund), which are self-explanatory, are hereunder quoted as follows

CHAPTER IV

Expenditures, Disbursements, Accounting and Accountability

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"Section 336. Use of Appropriated Funds and Savings. - Funds shall be available exclusively for the specific purpose for which they have been appropriated. **No ordinance shall be passed authorizing any transfer of appropriations from one item to another.** However, the local chief executive or the presiding officer of the sanggunian concerned may, by ordinance, be authorized to augment any item in the approved annual budget for their respective offices from savings in other items within the same expense class of their respective appropriations."

DBM Local Budget Memorandum No. 92, Series of 2025

"The guidelines for the 20% Development Fund (DF) for 2025, based on recent issuances state that LGUs must appropriate at least 20% of their Internal Revenue Allotment for development projects, which should be necessary, appropriate, or incidental to efficient local governance. **Allowable projects typically fall under social, economic, and environmental development, such as building health facilities, water systems, and roads, or implementing environmental management projects like reforestation or waste management.** x x x"

1. BARANGAY MOLINO 3 - FOR THE REALIGNMENT OF 20% DEVELOPMENT SOLAR PANEL BUDGET FROM THE 20% DEVELOPMENT FUND AMOUNTING TO FIVE HUNDRED THOUSAND PESOS (PHP500,000.00) FOR THE PURPOSE OF PURCHASING INDUSTRIAL CEILING FAN

FINDINGS:

The 20% Development Fund can be used to purchase materials for specific projects, such as purchasing materials for constructing or rehabilitating health centers, local roads, and water supply systems. The fund is also available for purchasing materials for projects related to solid waste management, food security, and various social and economic development initiatives. We quote Local Budget Memorandum No. 92, Series of 2025:

LOCAL BUDGET MEMORANDUM No. 92
June 9, 2025

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2.2.5 Priorities in the Use of the NTA and Other Local Resources

2.2.5.1 Pursuant to **Section 17 (g) of RA No. 7160**, the NTA and other local resources shall first cover the cost of providing the basic services and facilities enumerated under Section 17 (b) thereof, particularly those devolved by the National Government (NG), before applying the same for other purposes.

We quote:

Section 17. Basic Services and Facilities. (Republic Act No. 7160)

(a) Local government units shall endeavor to be self-reliant and shall continue exercising the powers and discharging the duties and functions currently vested upon them. They shall also discharge the functions and responsibilities of national agencies and offices devolved to them pursuant to this Code. Local government units shall likewise exercise such other powers and discharge such other functions and responsibilities as are necessary, appropriate, or incidental to efficient and effective provisions of the basic services and facilities enumerated herein.

(b) Such basic services and facilities include, but are not limited to, the following:

(1) For Barangay:

(i) Agricultural support services which include planting materials distribution system and operation of farm produce collection and buying stations;

(ii) Health and social welfare services which include maintenance of barangay health center and day-care center;

(iii) Services and facilities related to general hygiene and sanitation, beautification, and solid waste collection;

(iv) Maintenance of katarungang pambarangay;

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- (v) Maintenance of barangay roads and bridges and water supply systems;
 - (vi) Infrastructure facilities such as multi-purpose hall, multipurpose pavement, plaza, sports center, and other similar facilities;
 - (vii) Information and reading center; and
 - (viii) Satellite or public market, where viable; x x x"
2. BARANGAY ZAPOTE 1 - FOR REALIGNMENT OF FUNDS FROM THE PURCHASE OF GARBAGE TRUCK TO THE REHABILITATION OF DRAINAGE CANAL AMOUNTING TO EIGHT HUNDRED THOUSAND PESOS (PHP800,000.00).

FINDINGS:

Upon careful review and consultation with the City Budget Department, Bacoor City, the realignment of funds or the transfer of funds from one class expense to a different class expense, as requested, does not conform with the Local Government Code.

We quote:

"Drainage rehabilitation costs are generally classified as either **Capital Expenditures (CapEx)** or **Maintenance and Other Operating Expenses (MOOE/OpEx)**, depending on the scope of the work and the accounting standards being applied. x x x"

"**A supplemental budget is not always required for barangay fund realignment;** realignment involves reallocating existing, unencumbered funds within a single year's budget, while a supplemental budget is for new or insufficient funds that were not in the original budget. Realignment is done when a project is canceled or has a budget shortfall, allowing funds to be moved to a different project, and does not increase the total approved budget."

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REQUIRED DOCUMENTS:

1. **Sangguniang Barangay Ordinance:** An ordinance is the fundamental requirement that must be passed by the Sangguniang Barangay to authorize the realignment.
2. **Request from the Local Chief Executive:** A formal request from the Punong Barangay is necessary.
3. **Certification of Deficiency and Sources of Funds:** A certification from the Barangay Treasurer and Budget Officer must identify the specific "from" (source of savings) and "to" (intended recipient) items of expenditure.
4. **Financial and Physical Plans:** A financial plan (BED No. 1) and a physical plan (BED No. 2) are required to support the request.
5. **Identification of Savings:** The savings must be identified from other items within the same expense class of the office's original appropriation.
6. **Specific Project Justification:** A clear justification for the proposed realignment should be included with the request.

IMPORTANT CONSIDERATION:

- **Scope of realignment:** Funds can only be realigned to an item within the same office and from savings in **other items within the same expense class.**

RECOMMENDATION:

In view of the foregoing, the Honorable Members of the Joint Committee hereby recommend **TO RETURN** the proposed resolutions to the sender Barangays, as the respective request for realignment cannot be acted upon by the Joint Committee, as follows:

1) **MOLINO 3** - the realignment is not consistent with the guidelines set under DBM Local Budget Memorandum No. 92, Series of 2025 and lacks proper attachment, and;

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2) **ZAPOTE 1** – the realignment violates Section 336 of the Local Government Code and lacks proper attachment.

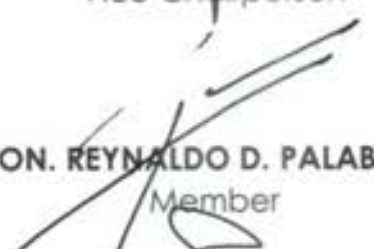
WE HEREBY CERTIFY that the contents of the foregoing report are true and correct.

Signed this 28th day of November 2025 at the City of Bacoor, Cavite.

THE COMMITTEE ON FINANCE, BUDGET AND APPROPRIATION


HON. ROGELIO M. NOLASCO
Chairman


HON. CATHERINE S. EVARISTO
Vice Chairperson


HON. REYNALDO D. PALABRICA
Member


HON. RICARDO F. UGALDE
Member





THE COMMITTEE ON BARANGAY AFFAIRS


HON. RANDY C. FRANCISCO
Chairman


HON. HORAQIO M. BRILLANTES, JR.
Vice Chairman


HON. LEVY M. TELA
Member

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