



Republic of the Philippines
DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT
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www.dilg.gov.ph

OFFICE OF THE UNDERSECRETARY FOR LOCAL GOVERNMENT

DILG Legal Opinion No. 06 S. 2016

MS. DEBORAH E. TARROSA
Tandayag, Amlan
Negros Oriental

FEB 02 2016

Dear Ms. Tarrosa:

This refers to your 23 November 2015 letter that was received by this Department on 11 January 2016 through the 16 December 2015 endorsement letter of Atty. Ma. Lourdes E.B. Oliveros, Chief Justice Staff Head, Office of the Chief Justice.

Your letter briefly inquires whether the automatic withdrawal of intelligence funds are allowed sans any appropriation ordinance.

Please be advised that it is a fundamental principle in local fiscal administration that no money shall be paid out of the local treasury except in pursuance of an appropriations ordinance or law¹. This principle is founded on Section 29 (1)², Article VI of the 1987 Constitution which requires that disbursement of funds be made pursuant to law.

Previous Circulars issued by this Department on intelligence funds (IF) or confidential funds (IF), *i.e.*, Memorandum Circular (MC) No. 98-136, as amended by MC No. 99-65 and supplemented by MC No. 99-100, provides the sourcing of funds for intelligence or confidential purposes from appropriations for peace and order, or from the total annual appropriations of the LGU, *viz.*:

"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."

¹ Section 305, Republic Act No. 7160 (RA 7160)

² Section 29. (1) No money shall be paid out of the Treasury except in pursuance of an appropriation made by law.

Said provision was repealed and superseded by DBM-DILG-COG-DND Joint Circular No. 2015-01 (hereinafter, the "Joint Circular"), dated January 8, 2015, which only authorized the allocation of CF in the LGUs' annual appropriation ordinance, which shall not exceed thirty percent (30%) of the total annual amount allocated for their Peace and Order Programs (POP) pursuant to Paragraphs 4.1.3 and 5.1.3.1 of the Joint Circular, *viz.*:

"4.1.3 LGUs whose peace and order is a priority concern and which have duly allocated CF, but not IF, in their annual appropriation ordinances, provided, that, specific amount for POP is included in their Peace and Order and Public Safety Plan and, provided further, that there is a specific appropriation for POP in their annual budget. The computation of allowable CF of an LGU shall be based on the budget of the LGU's POP only.

5.1.3.1 LGUs with peace and order concerns shall allocate in their respective Annual Appropriations Ordinance funds for POP, as part of its Peace and Order and Public Safety Plan, as required under 4.1.3 of this Joint Circular.

The total amount for CF shall not exceed thirty percent (30%) of the total annual amount allocated for the LGU's POP."

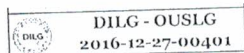
We hope the foregoing sufficiently addresses your concern.

Very truly yours,



AUSTERE A. PANADERO

Undersecretary



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Cc : ATTY. MA. LOURDES E.B. OLIVEROS
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