



## 2024 SEAL OF GOOD LOCAL GOVERNANCE FOR BARANGAY TECHNICAL NOTES

### CORE GOVERNANCE AREA 1: FINANCIAL ADMINISTRATION AND SUSTAINABILITY

INDICATOR	RELEVANCE / DEFINITION	MINIMUM REQUIREMENTS	DOCUMENTARY REQUIREMENTS/MOVs	DATA SOURCE
<b>1.1 COMPLIANCE WITH THE BARANGAY FULL DISCLOSURE POLICY (BFDP)</b>	Pursuant to Section 352 of the Local Government Code of 1991 (R.A. 7160), and DILG Memorandum Circular Nos. 2014-81 <sup>1</sup> and 2022-027 <sup>2</sup> , barangays shall demonstrate good financial housekeeping, and to ensure that barangays adhere to the highest ideals and standards of transparency and accountability, all Punong Barangays are directed to post in an area inside the barangay hall that can be easily viewed by the public and on their website (if available), the seven (7) documents as prescribed by the Department of Budget and Management (DBM).	1.1.1. Posted the following CY 2023 financial documents in the BFDP board:  a) Barangay Financial Report b) Barangay Budget c) Summary of Income and Expenditures d) 20% Component of the NTA Utilization e) Annual Procurement Plan or Procurement List f) List of Notices of Award ( <i>1<sup>st</sup> - 3<sup>rd</sup> Quarter of CY 2023</i> )	1. Three (3) BFDP Monitoring Form A of the DILG Advisory covering the 1 <sup>st</sup> to 3 <sup>rd</sup> quarter monitoring data signed by the City Director/C/MLGOO, Punong Barangay and Barangay Secretary; and  2. Two (2) Photo Documentation of the BFDP board showing the name of the barangay  <u>Photo Requirements:</u> One (1) photo with Distant View; and One (1) photo with Close-up View	Barangay Secretary

<sup>1</sup> Barangay Full Disclosure Policy

<sup>2</sup> Memorandum Circular Re "Reminders on the Preparation of the Barangay Financial Report, Its Submission to the City / Municipal Accountant and the Posting of the Same in the BFDP Board"



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	The DILG Advisory dated March 25, 2022 with the subject: "Updated Barangay Full Disclosure Policy (BFDP) Forms/Templates" was issued to inform the concerned offices and officers of the appropriate forms/templates that should be submitted to effectively monitor the compliance of barangays within their respective jurisdiction.	g) Itemized Monthly Collections and Disbursements (January to September 2023)	<p><i>Note: BFDP Monitoring Form A can be accessed through the link: <a href="https://bit.ly/BFDPMonitoring-FormA">https://bit.ly/BFDPMonitoring-FormA</a></i></p> <p><i>Note: Photo Documentation Template can be accessed through the link: <a href="https://bit.ly/Sample-PhotoDocumentation">https://bit.ly/Sample-PhotoDocumentation</a></i></p>	
	Per DBM-DOF-DILG JMC No. 2018-1 <sup>3</sup> , the Barangay Treasurer shall prepare the Barangay Financial Report (BFR) containing the information on the Statement of Receipt and Expenditures (SRE) using the prescribed form.	1.1.2 Accomplished and signed BFR with received stamp from the Office of the C/M Accountant	Annex B of DBM-DOF-DILG JMC No. 2018-1 <p><i>Note: Annex B can be accessed through: <a href="https://bit.ly/AnnexB-BFR-SRE">https://bit.ly/AnnexB-BFR-SRE</a></i></p>	Barangay Treasurer

<sup>3</sup>Adoption of the Modified Format for the Statement of Receipts and Expenditures of Local Government Units (SRE of LGUs) and Updated Guidelines on the Preparation and Submission Thereof



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<b>1.2 INNOVATIONS ON REVENUE GENERATION OR EXERCISE OF CORPORATE POWERS</b>	Based on Section 152 of the Local Government Code (LGC) of 1991, Barangays may levy taxes, fees, and charges, as provided in the Code, which shall exclusively accrue to them.	1.2.1 Increase in local resources in CY 2023	<ol style="list-style-type: none"><li>1. SRE for 2022 and 2023, signed by Barangay Treasurer and Punong Barangay; and</li><li>2. Certification on Increase in Local Resources signed by the City/Municipal Treasurer/Budget Officer</li></ol> <p><i>Note: Certification Template can be accessed through: <a href="https://bit.ly/Certification-IncreaseLocalResources">https://bit.ly/Certification-IncreaseLocalResources</a></i></p>	Barangay Treasurer
<b>1.3 APPROVAL OF THE BARANGAY BUDGET ON THE SPECIFIED TIMEFRAME</b>	Budget authorization is the process of adopting and enacting the annual Barangay Budget into an Appropriation Ordinance pursuant to Section 391(a)(3) of the LGC , which provides that “the Sangguniang Barangay shall enact annual and supplemental budgets in accordance with the provisions of this Code”.	1.3.1 Presence of a Barangay Appropriation Ordinance approved on or before December 31, 2022  <i>Consideration: Approval until March 31, 2023.</i>	Approved Barangay Appropriation Ordinance signed by the Sangguniang Barangay Members (SBMs), SK Chairperson, Barangay Secretary, and Punong Barangay.	Barangay Secretary



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<b>1.4 ALLOCATION FOR STATUTORY PROGRAMS AND PROJECTS AS MANDATED BY LAWS AND/OR OTHER ISSUANCES</b>	DBM-LBM No. 85 <sup>4</sup> defines allocations for statutory programs and projects as the budgeted resources designated for initiatives mandated by legislation or other official pronouncements. Moreover, it emphasizes that priority allocation for the National Tax Allotment (NTA) and other local resources must be directed towards fulfilling the obligations outlined in Section 17(b) of the LGC. These obligations encompass providing essential services and facilities to the local community.	1.4.1 With allocated funds for the following statutory programs and projects:  a) At least 20% of the NTA is allocated for development programs; b) Not less than five percent (5%) shall be set aside as the Local Disaster Risk Reduction and Management Fund; c) Gender and Development; d) Senior Citizens and Persons with Disabilities; e) Implementation of the programs of the Local Councils for the Protection of Children; and	1. Approved Barangay Appropriation Ordinance;  2. Annual Investment Program signed by Barangay Treasurer, Barangay Secretary, and Punong Barangay; and  3. Certification for the Allocation for Statutory Programs and Projects signed by the City/Municipal Budget Officer  <i>Note: Certification Template can be accessed through: <a href="https://bit.ly/Certification-StatutoryPrograms">https://bit.ly/Certification-StatutoryPrograms</a></i>	Barangay Treasurer  City/Municipal Budget Officer

<sup>4</sup> Indicative FY 2023 National Tax Allotment (NTA) Shares of Local Government Units (LGUs) and Guidelines on the Preparation of the FY 2023 Annual Budgets of LGU



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		f) Ten percent (10%) for the Sangguniang Kabataan		
<b>1.5 POSTING OF THE BARANGAY CITIZEN'S CHARTER (CitCha)</b>	Pursuant to Section 6 of Republic Act (RA) No. 9485 <sup>5</sup> as amended by RA No. 11032 <sup>6</sup> , all government agencies, including departments, bureaus, offices and instrumentalities, government owned or controlled corporations (GOCCs), government financial institutions (GFIs), state universities and colleges (SUCs), and local government units (LGUs) shall set up their respective most current and updated service standards to be known as the Citizen's Charter.	1.5.1 Barangay Citizens' Charter posted at a conspicuous place (e.g. barangay hall, market, transport terminal, or multi-purpose hall)	Two (2) Photo documentation of the Barangay CitCha (name of the barangay should be visible)  <u>Photo Requirements:</u> One (1) photo with Distant View; and One (1) photo with Close-up View  <i>Note: Photo Documentation Template can be accessed through the link: <a href="https://bit.ly/Sample-PhotoDocumentation">https://bit.ly/Sample-PhotoDocumentation</a></i>	Barangay Secretary

<sup>5</sup> Anti-Red Tape Act of 2007

<sup>6</sup> Ease of Doing Business and Efficient Government Service Delivery Act of 2018



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<b>1.6 RELEASE OF THE SANGGUNIANG KABATAAN (SK) FUNDS OF THE BARANGAY</b>	<p>Section 20 (a) of the SK Reform Act of 2015 states that all the income of the barangay derived from whatever source shall accrue to its general fund and shall, at the option of the barangay concerned, be kept as a trust fund in the custody of the city or municipal treasurer or be deposited in a bank, preferably government-owned, situated in or nearest to its area of jurisdiction.</p> <p>Further, it mandates that 10% of the general fund of the barangay shall be set aside for the SK. The Sangguniang Barangay shall appropriate the SK funds in lump-sum which shall be disbursed solely for youth development and empowerment purposes.</p> <p>Section 20 (b) of the same Act also states that SK have financial independence in its operation,</p>	<p>1.6.1 Compliance with Section 20 of the SK Reform Act of 2015 and Item 3.2 of DBM-DILG-NYC JMC No. 1, s. 2019 dated January 23, 2019</p> <p>1.6.1.1. The barangay has Barangay-SK Agreement for the release/deposit;</p> <p style="text-align: center;">OR</p>	<p>MOVs for 1.6.1.1:</p> <ol style="list-style-type: none"><li>1. Copy of the written agreement; and</li><li>2. Proof of deposit reflecting the Account No./ Name of Barangay SK and the total allocated amount for the 2023 SK funds</li></ol> <p><i>Consideration: In the absence of deposit slips, bank statements will be considered, provided that it shows the transaction date, and that the total 10% of the SK Fund has been transferred.</i></p>	<p>Barangay Treasurer SK Secretary SK Treasurer</p>



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	<p>disbursement of their fund, income, and expenditure.</p> <p>Item 3.2.1 of the DBM-DILG-NYC JMC No. 1, s. 2019<sup>7</sup> dated January 23, 2019 provides that the SK funds shall be automatically released by the barangay to the SK and shall not be subject to any lien or holdback that may be imposed by the barangay for whatever purpose.</p> <p>Item 3.2.2 of the same JMC states that the SK shall open a current account in the name of the SK in a bank, preferably government-owned, situated in or nearest to its area of jurisdiction, with the SK chairperson and the SK treasurer as the official signatories</p> <p>Item 3.2.3 of the same JMC</p>	<p>1.6.1.2. The barangay does not have Barangay-SK Agreement but with current account;</p> <p style="text-align: center;"><b>OR</b></p> <p>1.6.1.3. The barangay does not have SK Officials or with SK Officials but no quorum and/or No SK Bank Account</p> <p><i>Note: SK Resolution authorizing the barangay to utilize the SK Funds if the SK</i></p>	<p>MOV for <b>1.6.1.2:</b> Deposit slips reflecting the Account No./ Name of Barangay SK and the total allocated amount for the 2023 SK funds</p> <p><i>Consideration: In the absence of deposit slips, bank statements will be considered, provided that it shows the transaction date, and that the total 10% of the SK Fund has been transferred.</i></p> <p>MOV for <b>1.6.1.3:</b></p> <p>1. (a) Proof of transfer of the 10% 2023 SK funds to <b>the trust fund of the Barangay</b> such as Deposit Slip or Official Receipt;</p> <p style="text-align: center;"><b>OR</b></p> <p>(b) Proof of transfer or corresponding legal</p>	

<sup>7</sup> Guidelines on the Appropriation, Release, Planning and Budgeting Process for the SK Funds



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	<p>mandates that the SK funds shall be deposited by the barangay in the current account of the SK not later than 5 WD after crediting of the monthly NTA share of the barangay.</p> <p>The barangay may opt to transfer/release the SK funds earlier than herein prescribed on an annual, semestral or quarterly basis, subject to the written agreement between the barangay and the SK.</p> <p>Item 3.2.4 provides that in case of barangays without elected SK officials, the barangay shall transfer the corresponding ten percent (10%) SK Fund to the trust fund of the barangay, and the same shall be released by the barangay upon the election of the SK officials concerned.</p> <p>Section 20 of RA 10742 states that</p>	<i>has no bank account yet shall not be considered as MOV under the indicator.</i>	<b>forms/documents issued by the city/municipal treasurer if the barangay opted that the corresponding SK fund be kept as trust fund in the custody of the C/M treasurer.</b>	



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	<p>the Sangguniang Kabataan funds shall be governed by the following provisions: (a) All the income of the barangay derived from whatever source shall accrue to its general fund and shall, <b>at the option of the barangay concerned</b>, be kept as <b>trust fund in the custody of the city or municipal treasurer</b> or be deposited in a bank preferably government-owned, situated in or nearest to its area of jurisdiction. Such funds shall be disbursed in accordance with the provisions of this Act. Ten percent (10%) of the general fund of the barangay shall be set aside for the Sangguniang Kabataan. The Sangguniang Barangay shall appropriate the Sangguniang Kabataan funds in lump-sum which shall be disbursed solely for youth development and empowerment purposes</p>			



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	<p>Note: The Sangguniang Kabataan Frequently Asked Questions can be accessed through the link: <a href="https://bit.ly/SK_FAQ-SGLGB">https://bit.ly/SK_FAQ-SGLGB</a></p> <p>Item 3.3.1.2 of the DBM-DILG-NYC JMC No. 1, s. 2019 dated January 23, 2019 states that the Comprehensive Barangay Youth Development Plan (C BYDP) shall serve as the basis for the preparation of the Annual Barangay Youth Investment Program (ABYIP). The ABYIP shall contain the specific programs, projects, and activities with corresponding project costs, including the necessary fund flows to approximate the reasonable timing in the release of funds. It is understood that the ABYIP shall reflect the total resource requirement for the budget year.</p>	1.6.2 Presence of Approved Annual Barangay Youth Investment Program (ABYIP) for 2023	<p>If the barangay has 5 and above SK Officials:</p> <ol style="list-style-type: none"><li>Approved Resolution approving the 2023 SK Annual/Supplemental Budget; and</li><li>An Approved 2023 ABYIP signed by the SK Chairperson and its members</li></ol> <p>If the barangay has 4 and below SK Officials:</p> <p>Certification from the C/MLGOO on number of SK officials</p>	SK Treasurer  C/MLGOO



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	Item 3.3.1.3 of the same JMC also states that the ABYIP shall be prepared and approved by the SK through a resolution before the start of the preparation of the SK annual budget.			
<b>1.7 CONDUCT OF BARANGAY ASSEMBLY</b>	<p>Section 397 (b) of R.A. No. 7160 mandates that the barangay Assembly shall meet at least twice a year to hear and discuss the semestral report of the barangay concerning its activities and finances as well as problems affecting the barangay.</p> <p>Proclamation No. 599 series of 2018 dated October 9, 2018 declares the Saturdays and Sundays of March and October as barangay assembly days.</p> <p>DILG MC No. 2023-032 mandates the Barangay Assembly Day shall be conducted, as much as practicable,</p>	1.7.1 Conducted the 1st semester Barangay Assembly for CY 2023	<p>Post Activity Report/ Minutes on the conduct of the 1<sup>st</sup> semester Barangay Assembly 2023 duly approved by the Punong Barangay</p> <p><i>Note: Template can be accessed through the link: <a href="https://bit.ly/PAR-2023-1stSemBAD">https://bit.ly/PAR-2023-1stSemBAD</a></i></p>	Barangay Secretary



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	face-to-face or blended approach (combination of face-to-face and online mode) by all barangays on any Saturdays or Sundays of March 2023.			