

Barangay budgeting essay sample



**ASSIGN
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Barangay Isok II in the municipality of Boac, Marinduque is one of the barangays in the Poblacion area.

This review will present an overview of the proposed Barangay Budget of Barangay Isok II for CY 2012. This paper will also tackle details on the budget preparation, budget authorization, budget review, and budget execution and accountability.

OVERVIEW OF THE BARANGAY 2012 BUDGET

On October 7, 2011, the Sangguninag Barangay of Isok II passed Barangay Appropriation Bill No. 2012-01 with the title An Ordinance Appropriating Funds for Barangay Isok II (Annex A). A barangay budget comprises estimates of income, total appropriations covering current operating expenditures, and capital outlays. The total amount available for appropriation is PhP 778, 372. 00 derived from the estimated income for the budget year. Below is the breakdown of the estimated income:

Property Taxes	5, 000. 00
Business Taxes and Licenses	2, 400. 00
Community Taxes	3, 000. 00
Internal Revenue Allotment	760, 672. 00
Subsidy from other LGUs	2, 500. 00
Permit Fees	1, 800. 00
Clearance & Certification Fees	3, 000. 00
TOTAL	778, 372. 00

The sources of income are declared as source of funds which are realistic and probable to be collected and remitted to the Local Treasury, necessary to finance the delivery of basic services and implementation of priority development of the Barangay from January to December 2012. The estimated income was then appropriated for basic services delivery and implementation of priority development projects. Such is referred to as estimated expenditures which cover the following Major Final Outputs:

General Fund 509, 481. 80

Administrative & Legislative Services

Daycare Service

Health & Nutrition Services

Peace & Order Services

Agriculture Services

Other Services

Implementation of 20% Barangay Development Projects 152, 134. 40

Implementation of SK Project (10% Sangguninang Kabataan Fund) 77, 837.

20 5 % BDRRMF* 38, 918. 60

TOTAL 778, 372. 00

* Barangay Disaster Risk Reduction Management Fund

The appropriated amount is aimed to produce the expected Major Final Outputs (MFOs) for the barangay and will be measured by performance our output indicators per MFO. This serves as the rationale for the amount spent for the various services and development projects provided by the Barangay, pursuant to Section 17 of the Local Government Code.

The following General Provisions are observed based on the policies duly authorized for the fiscal year derived from existing laws on barangay budgets:

a. Income from operating and miscellaneous fees shall be collected at maximum collection efficiency. b. Priority in the use of income shall be for the budgetary requirements as mandated by the local code: •20% of IRA for development projects

- 5% for Barangay Disaster Risk Reduction Management Fund (BDRRMF)

- 10% for Sangguniang Kabataan (SK)

c. Strict compliance to the 55% Personal Services limitation shall be observed. d. Priority in the use of savings shall be for basic services, augmentation of development services and other mandatory expenses provided under the local code. e. All procurement shall strictly follow the provisions of RA 9184.

ON BUDGET PREPARATION

For the budget preparation, Barangay Isok II is guided by the provisions stipulated in the Local Government Code of 1991 on Barangay Budgets, which states the following: •Sec. 330. Submission of Detailed Statements of Income and Expenditures for the Barangay Budgets. – On or before the fifteenth (15th) day of September of each year, the barangay treasurer shall submit to the punong barangay a statement covering the estimates of income and expenditures for the ensuing fiscal year, based on a certified statement issued by the city or municipal treasurer covering the estimates of income from local sources for the barangay concerned. •Sec. 331.

Preparation of the Barangay Budget. – (a) Upon receipt of the statement of income and expenditures from the barangay treasurer, the punong barangay shall prepare the barangay budget for the ensuing fiscal year in the manner and within the period prescribed and submit the annual barangay budget to the sangguniang barangay for legislative enactment.

True to the case of Barangay Isok II, prior to their budget preparation, the Barangay Treasurer first secured the estimates of income and total appropriations covering current operating expenditures and capital outlays of the barangay, which are the components of a barangay budget. After such, the Punong Barangay, with the assistance of the Barangay Treasurer, prepared their barangay budget for the year 2012.

Usually, estimated savings at the end of the current year forms part of the beginning balance for the budget year. It includes projected balances of any appropriation which remain free of any obligation or encumbrances and which are still available at the end of the current year after the satisfactory completion, or the unavoidable discontinuance or abandonment of the work, activity or purpose for which the funds were authorized.

The mandatory obligations that should be provided in the barangay annual budget was also followed, which are the following:

- Appropriations for development projects of not less than 20% of the total IRA of the barangay for the budget year (Development Fund);
- Appropriations for Sangguniang Kabataan (SK) programs, projects and activities equivalent to 10% of the general fund of the barangay for the budget year (SK Fund);
- Appropriations for unforeseen expenditures arising

from the occurrence of calamities at 5% of regular income for the budget year (Calamity Fund); and • Provision for the delivery of basic services pursuant to Section 17 of RA No. 7160, and effective local governance.

ON BUDGET AUTHORIZATION

The Punong Barangay submitted the proposed annual budget to the Sangguniang Barangay. The Sangguniang Barangay then evaluated the proposed barangay budget and enacted the Appropriation Ordinance. In this case, Barangay Appropriation Bill No. 2012-01 with the title An Ordinance Appropriating Funds for Barangay Isok II.

ON BUDGET REVIEW

The Appropriation Ordinance was then submitted to the Sangguniang Bayan for review and approval. It was received on December 22, 2011 by the Municipal Budget Officer who prepared the endorsement to the Sangguniang Bayan dated January 26, 2012.

It was stated in the endorsement that the CY 2012 General Fund Annual Budget of the Barangay Isok II involving total appropriations of PhP 778, 372. 00 under Sangguniang Barangay Appropriation Bill No. 2012-01 is considered operative as of the date of its effectivity subject to the following conditions:

1. The disbursement of appropriation for honoraria of the mandatory barangay officials and other positions shall conform to Local Budget Circular No. 63 dated October 22, 2000 subject to Personal Services (PS) limitation under Section 33 (b) of RA No. 7160 (Local Government Code of 1991) and shall be computed in accordance with Local Budget Circular No. 98. 2.

Appropriation for development programs/projects/activities funded out of no less than 20% of the Internal Revenue Allotment (IRA) which is provided under Section 287 of the Local Government Code of 1991, shall be in accordance with the Annual Investment plan of the Barangay as approved by the Barangay Development Council consistent with Section 107 (a) of RA No. 7160 and in compliance with DILG Memorandum Circular No. 2010-138 dated December 2, 2010. 3. Ten percent (10%) of the estimated general income as provided in Section 329 of RA No. 7160. The 10% SK fund is a statutory obligation considered as trust fund. Any unexpected balances shall be added to the 10% share of the SK for the next year.

The 10% share of the SK shall be appropriated by the Sangguniang Barangay to be programmed and administered by the Sangguniang Kabataan for purposes provided under the 1991 Local Government Code except for personal services and shall be utilized for the following programs, projects and activities: Sports development, Clean and Green Project, Anti-Drug Campaign, Livelihood Projects, Capability Building, Literacy Program, Gender and Development Program and other Youth Development Projects. 4. Not less than 5% of the estimated revenue from regular sources shall be set aside for Calamity Fund or the Local Disaster Risk Reduction Management Fund (LDRRMF) as authorized by Republic Act No. 10121 and disbursement shall be in accordance thereof. 5. Appropriations for Leave Benefits of Barangay Officials shall be disbursed in accordance with Joint Circular No. 1 series of 2004 of the Civil Service Commission (CSC) and Department of Budget and Management (DBM) and Local Budget Circular No. 85 dated April 23, 2007. 6. Appropriation for Cash Gift and Year-end Bonus authorized in

Budget Circular No. 2010-01 dated April 28, 2010 shall be strictly observed.

7. That disbursement of other appropriations embodied in the herein budget shall be made in accordance with implementing budgetary laws applicable thereat 8. Compliance with all pertinent existing laws, rules, and regulations and administrative issuances shall be the responsibility of the barangay government unit concerned.

With such considerations, CY 2012 Annual Budget of Barangay Isok II was recommended by the Municipal Treasurer for approval by the Sangguniang Bayan based on the above stated conditions.

ON BUDGET EXECUTION AND ACCOUNTABILITY

The ordinance enacting the annual budget shall take effect at the beginning of the ensuing calendar year. The responsibility for the execution of the annual budget and the accountability therefore shall be vested primarily in the Punong Barangay concerned.

As part of accountability, the Barangay Treasurer as required submits written financial report to barangay officials/general public. The Punong Barangay on the other hand, reviews/signs financial reports and prepares performance reports.

On the part of the general public, they are encouraged to monitor financial status of the barangay and performance of officials. They should also attend general barangay assemblies to be updated on the affairs of the barangay and check if all expenditures are in line with the programmed budget.