



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
GENERAL SOLANO STREET, SAN MIGUEL, MANILA

DMS Reference No. 2023-LGRCB-0018388-E

February 17, 2023

SECRETARY MARIA ANTONIA YULO-LOYZAGA

Department of Environment and Natural Resources (DENR)
Vizayas Avenue, Diliman
1100 Quezon City

Attention: **Assistant Secretary Nonita S. Caguioa**
Finance, Information Systems and Mining Concerns

Director Angelito V. Fontanilla
Financial and Management Services

Dear **Secretary Yulo-Loyzaga**:

This pertains to the preparation of budget documents for FY 2024 Budget Preparation as prescribed under National Budget Memorandum No. 145 dated January 12, 2023.¹

In this regard, may we respectfully remind your Office on the submission of the corresponding certification covering the forty percent (40%) share of the local government units (LGUs) in the gross collection derived by the National Government from forest charges consistent with 2.0 of Department of Budget and Management (DBM)-Department of Finance-DENR-Department of Energy Joint Circular No. 2006-1,² to wit:

"2.0 For budget preparation purposes, the projected shares of the LGUs out of the 40% of the proceeds of the national wealth from the preceding year shall be submitted to the [DBM] by the concerned revenue collecting agencies of the national government not later than the fifteenth (15th) of March of the ensuing year. While the first quarter will be based on actual collections, the remaining three quarters shall be based on projected historical collection. This shall serve as basis for appropriation in the national budget." (emphasis supplied)

¹ National Budget Call for FY 2024

² Revised Guidelines and Procedures on the Release of the Share of Local Government Units in the Proceeds from the Development and Utilization of National Wealth

May we further request information on shares of LGUs from the proceeds of forest charges collected from prior years preceding FY 2023 which were not yet endorsed for release and may possibly be endorsed to this Department in FY 2024.

Anent thereto, may we note that item 2.3.1 of NBM No. 145 emphasizes that the FY 2024 National Budget will reflect the continued adoption of the 2-Tier Budgeting Approach (2TBA) for greater budget transparency and reliability.

Moreover, Item 2.5 of the Specific Guidelines of said NBM stated that the Budget for Allocation for LGUs Tier 1 includes funding requirements to cover transfers from the NG to the LGUs (i.e. National Tax Allotment, Special Shares of LGUs in the Proceeds of National Taxes, Barangay Official Death Benefits, Special Shares of LGUs in the Proceeds of Fire Code Fees, and Local Government Support Fund). Meanwhile, Tier 2 covers adjustments based on the submission of certifications received beyond the deadline of the submission of Tier 1 for the funding requirements to cover the transfers from the NG to the LGUs as mentioned in Tier 1.

To enable us to timely prepare the necessary budget documents, may we respectfully request the submission of said certification on or before March 15, 2023.

Thank you and God bless.

Very truly yours,

RYAN S. LITA

Director IV

cc: Undersecretary Cristina B. Clasara, DBM
Undersecretary Wilford Will L. Wong, DBM
Assistant Secretary Rolando U. Toledo, DBM