



REPUBLIC OF THE PHILIPPINES

DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT

Regional Office No. I, San Fernando City, La Union.

Tel. Nos. (072) 888-21-08; 700-57-46; 888-22-89; 700-27-01; 700-36-79; 607-12-45

Fax Nos. 888-22-94; 700-27-03



April 8, 2011

ROGER P. DAQUIOAG
CLGOO, Laoag City

Dear Mr. Daquioag

This refers to your letter seeking the Department's clarification on the queries of Punong Barangays regarding DILG – MC No. 2010 – 138 on the "use of the Twenty percent (20%) component of the Annual Internal Revenue Allotment (IRA) shares.

Before dwelling on the issue, may we first invite your attention to the following provisions of the DILG – MC No. 2010-138 dated December 2, 2010, to wit;

Sec. 287 of the Local Government Code mandates every LGU to appropriate in its annual budget no less than 20% of its annual revenue allotment for **DEVELOPMENT PROJECTS**. Development means the realization of desirable social, economic and environmental outcomes essential in the attainment of the desired quality of life for all.

In this connection DILG – MC No. 2010 – 138 provides that all local authorities are enjoined to utilize the said 20% IRA share for meaningful and rooted development and mandate all LGUs to **REFRAIN FROM USING SUCH FUND** for:

xxx

5. Construction, repair or refinishing of administrative offices.

Xxx

This Office opines that Administrative offices of LGU include Provincial, Municipal and Barangay Halls. Hence, the use of the 20% IRA share for the construction of Barangay Hall is deeply discouraged to all LGU considering that said 20% IRA share is intended for development projects like socio development; economic development and environmental management.

However, construction of Multi-purpose hall, where it serves as a classroom, is an example of developmental project promoting Social development on minors, differently-abled persons and older persons, women and out-of-school-youth.



REPUBLIC OF THE PHILIPPINES

DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT

Regional Office No. I, San Fernando City, La Union

Tel. Nos. (072) 888-21-08; 700-57-46; 888-22-89; 700-27-01; 700-36-79; 607-12-45

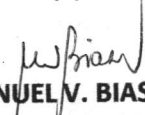
Fax Nos. 888-22-94; 700-27-03



Henceforth, construction of barangay hall using the 20% IRA share is a violation of DILG – MC No. 2010-138 considering that it is considered as an administrative expense.

We hope that we have addressed your concern accordingly.

Very truly yours,


MANUEL V. BIASON, CESO III
Regional Director

Legal/joa