



Republic of the Philippines
DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT
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<http://www.dilg.com.ph>

FEB 04 2020

DILG OPINION NO. 28 S. 2020

MR. PABLO M. CRESPO, JR.
Secretary to the Mayor
Municipality of Patnongan
Province of Antique

Dear Mr. Crespo:

This has reference to your letter dated 27 November 2019, requesting for this Department's legal opinion on whether or not a Local Chief Executive can augment fund via an Executive Order.

Our view is in the affirmative **provided that there exists an Ordinance that authorizes the LCE to augment** any item in accordance with the guidelines set by Republic Act No. 7160 (RA 7160), otherwise known as the Local Government Code of 1991. Section 336 of RA 7160 states:

*SECTION 336. Use of Appropriated Funds and Savings. – Funds shall be available exclusively for the specific purpose for which they have been appropriated. No ordinance shall be passed authorizing any transfer of appropriations from one item to another. However, the local chief executive or the presiding officer of the sanggunian concerned may, **by ordinance, be authorized to augment** any item in the approved annual budget for their respective offices from savings in other items within the same expense class of their respective appropriations.*

It is our view that the aforementioned provision means that the ordinance is not for the augmenting any item in the approved annual budget per se **but to give authority to the LCE or the presiding officer** of the sangguniang concerned to augment item in the approved annual budget for their respective offices from savings in other items within the same expense class of their respective appropriations. Thus, in the exercise of such authority as provided for the ordinance, the LCE may augment said item by an Executive Order. In the Budget Operations Manual for Local Government, 2016 Edition, of the Department of Budget and Management, it is explained as follows:

"The ordinance will give the omnibus authority to the LCE or the Presiding Officer of the Sanggunian to augment any item in the approved annual budget for their respective offices

from savings in other items within the same expense class of their respective appropriations."

It is to be emphasized that said ordinance authorizing the LCE or the presiding officer of the sangguniang concern to augment accordingly is indispensable.

In DILG Legal Opinion No. 004-06, dated 07 February 2006, it is stated:

Realignment/transfer of funds pertains to the authority of the Local Chief Executive or the Presiding Officer of the sanggunian, acting pursuant to an ordinance, to augment any item in the approved annual budget for: (1) their respective offices; and (2) from savings in other items within the same expense class of their respective appropriations (Sec. 336, Local Government Code).

Ergo, for a realignment of funds to be valid, the following requisites must concur:

- 1. There must be an ordinance authorizing the Local Chief Executive or the Presiding Officer to augment any item;**
2. *The item to be augmented is limited to their respective offices; and*
3. *The funds from where the "augmentation" should come from should be the savings in the other items within the same expense class of each office's respective appropriations.*

We hope that we have enlightened you on the matter.

Thank you.

Very truly yours,


EDUARDO M. AÑO
Secretary

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