CONDUCT OF INVENTORY AND TURNOVER OF ALL BARANGAY PROPERTIES, FINANCIAL RECORDS, DOCUMENTS (BPFRDS) AND MONEY ACCOUNTABILITIES BY ALL INCUMBENT BARANGAY OFFICIALS

MEMORANDUM CIRCULAR NO. 2018-12, May 22, 2018

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Adopted: 01 February 2018

Date Filed: 22 May 2018

1.0 LEGAL BASES

1.1 Section 2 of Presidential Decree No. 1445, otherwise known as the "Government Auditing Code of the Philippines" states that, it is the declared policy of the State that all resources of the government shall be managed, expended or utilized in accordance with law and regulations, and safeguarded against loss or wastage through illegal or improper disposition, with a view to ensuring efficiency, economy and effectiveness in the operations of government.

1.2 Section 375 of the Local Government Code of 1991 provides for the "Primary and Secondary Accountability for Government Property", wherein the Punong Barangay (PB) shall be primarily accountable for all government properties assigned or issued at the barangay level. The person or persons entrusted with the possession or custody of such government properties, under the accountability of the PB, shall be immediately accountable to the PB.

1.3 Section 376 of the same Code provides for the "Responsibility for Proper Use and Care of Government Property" by the concerned local officials who are in actual physical possession of government property or entrusted with its custody and control.

1.4 Section 1 of Republic Act 10952, An Act Postponing the October 2017 Barangay and Sangguniang Kabataan Elections, provides that the Barangay and Sangguniang Kabataan Elections shall be held on the second Monday of May 2018.

1.5 Section 2 of RA 10952 mandates that the term of office of the elected barangay and sangguniang kabataan officials shall commence at noon of June 30, 2018.

2.0 PURPOSE

2.1 In the observance of the above-cited laws, and in preparation for the May 14, 2018 Barangay and Sangguniang Kabataan Elections, all Punong Barangays and concerned barangay officials are required to prepare the necessary documents, to include inventory of all barangay financial records, reports, finances and properties that were issued, assigned, entrusted or under the custody of all concerned barangay officials from the start of their terms of office up to the present.

2.2 To sustain transparent and accountable local governance at the barangay level, and to further ensure that all concerned barangay officials exercise due diligence as regards proper use, care, utilization and safekeeping of

all government properties, barangay funds, financial records and documents.

3.0 COVERAGE

This Circular shall cover all PROVINCIAL GOVERNORS, CITY AND MUNICIPAL MAYORS, PUNONG BARANGAYS, LIGA NG MGA BARANGAY CHAPTER PRESIDENTS, DILG REGIONAL DIRECTORS AND FIELD OFFICERS, ARMM REGIONAL GOVERNOR, AND ALL OTHERS CONCERNED.

4.0 POLICY CONTENT

This Circular is issued to realize the systematic transition from the outgoing barangay officials to the incoming newly elected or re-elected barangay officials come June 30, 2018.

Further, it provides specific activities and timelines to be undertaken by concerned local officials in the conduct of inventory and turnover of all BPFRDs and money accountabilities, such as:

4.1 CREATION OF BARANGAY INVENTORY TEAM (BIT)

4.1.1 Composition - The BIT shall be composed of the following:

Chairperson: Punong Barangay
Members:
- At least two (2) Kagawads
- Barangay Secretary
- Barangay Treasurer
- Bookkeeper or City/Municipal Representative
- At least two (2) CSO Representatives, preferably from the faith-based organization and/or members of the BDC

4.1.2 Duties and Functions - The Punong Barangay/BIT shall:

4.1.2.1 Undertake the following activities within the prescribed period, such as:

ACTIVIT Y

OP R

TI M ELIN E

1 . I ssue an Executi ve Order[1] o n t he Crea ti on of BIT

Punon g

Baranga y (PB)

No t l at er t han February 23 , 2018

2 . Convene t he m e m bers of t he BIT

3 . Furni sh t he DI LG City Di rect or or t he Cit y/ M uni ci pal Local Governm ent Operati ons Offi cer a copy of the Executi ve Order

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PB

No t l at er t han February

26 , 2018

4 . Conduct an i ni ti al i nventory of all BPFRDs usi ng I nvent ory and Turnover Form No. 1 [2] ;

B IT

No t l at er t han M arc h

9 , 2018

5 . Furni sh t he C it y/ M uni ci pal Account ant;

l ocal COA; and t he concerned DI LG CD / C/ M LG OO copy of the acco m pli shed I nvent ory and Turnover Form No. 1

B IT

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12 , 2018

6 . Conduct t he fi nal i nventory of BPFRDs and M oney Accoun t abiliti es usi ng I nvent ory an d Turnover Form No. 2[3]

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No t l at er t han M ay 30 , 2018

7 . Furni sh t he C i ty/ M uni ci pal Account ant; l ocal COA; and t he concerned DI LG CD / C/ M LGOO copy of t he acco m pli shed I nvent ory and Turnover Form No. 2

B IT

No t l at er t han June 3 , 2018

8 . Post t he Fi nal I nvent ory and Turnover For m No. 2 approved by the C/ M ATT in t hree (3) conspic uous pl aces wit hin t he barangay pre mi ses and/ or in t he barangay's offi ci al website or f acebook account, if any, and shall al ways be m ade avail able to the publi c

PB

Upo n approva l of t he C / M ATT

9 . Pl an and organi ze t he conduct of f or m al

Turnove r Cere m ony

BI T

No t l at er t han June 23 , 2018

10 . Notify t he C it y/ M uni ci pal M ayor; l ocal offi ci al s; l ocal COA; t he DI LG City Di rect or or C/ M

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LGOO; and t he newly el ect ed

baranga y offi ci als f or t he conduct of t urnover cere m ony

11 . Conduct t he Turnover Cere mony PB

No t l at er t han 1 2 noon of June 30 ,

2018

4.1.2.2 Ensure the completeness of all BPFRDs, to include legislative and administrative records, transcript or minutes of meetings, list and status of complaints filed before the Lupong Tagapamayapa, updated Registry of Barangay Inhabitants (RBIs), list or inventory of current local or international development assisted projects, if any, and all other documents and/or logbooks containing barangay transactions; and

4.1.2.3 See to it that all properties of the barangay, supplies, finances/money that are in actual possession or entrusted to the concerned barangay officials and employees, including reports on damaged or lost items or repairs made to properties are properly accounted, turned over and listed in the prescribed Inventory and Turnover Forms;

4.2 ROLES AND RESPONSIBILITIES - All concerned are directed to perform their respective roles and responsibilities, such as:

4.2.1 OUTGOING BARANGAY OFFICIAL

4.2.1.1 Submit to the BIT the list of all barangay properties that are entrusted to him/her or under his/her possession;

4.2.1.2 Liquidate or settle all money accountabilities or other financial concerns;

4.2.1.3 Turnover all BPFRDs to the BIT before the expiration of his/her term of office; and

4.2.1.4 Secure money and property clearance pursuant to Article 443 of RA 7160, guided by the following:
4.2.1.4.1 The concerned outgoing barangay official shall secure clearance from the Barangay Treasurer[4];

4.2.1.4.2 The Barangay Treasurer shall secure clearance from the Punong Barangay[5]; and

4.2.1.4.3 The outgoing Punong Barangay shall secure clearance from the City/Municipal Mayor after he/she turned over all BPFRDs to the incoming Punong Barangay[6].

4.2.2 CITY/MUNICIPAL MAYOR
The City/Municipal Mayors, in the exercise of their power of general supervision over barangays, are enjoined to ensure the smooth and orderly turnover of responsibilities for the proper use and care of government funds and properties by the component barangays and shall perform the following:

4.2.2.1 Direct all barangay officials to adhere to this Circular;

4.2.2.2 Provide necessary support to all BITs under his/her jurisdiction to efficiently and effectively perform their duties, roles and functions;

4.2.2.3 Create, through an Executive Order, a City/Municipal Audit and Transition Team (C/MATT) for Barangays not later than 28 February 2018, composed of, but not limited to, the following:

4.2.2.3.1 COMPOSITION

Chairperson:

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City/Municipal Accountant

Members :

DILG City Director/C/MLGOO Liga ng mga Barangay Chapter President Selected Staffs of the C/M Accounting Office Representatives from the Faith- Based Organization/CSO/ NGO/ PO

4.2.2.3.2 DUTIES AND FUNCTIONS

4.2.2.3.2.1

Supervise the BIT in the conduct of inventory and turnover of BPFRDs and money accountabilities;

4.2.2.3.2.2

Conduct audit, verification and checking of the actual physical count of BPFRDs as against the accomplished Inventory and Turnover Forms prepared and submitted by BIT not later than 15 June 2018;

4.2.2.3.2.3

Ensure that BPFRDs and money accountabilities assigned or entrusted to by the concerned accountable barangay officials are completely listed and turned over before the conduct of Turnover Ceremony;

4.2.2.3.2.4

Submit to the City/Municipal Mayor, Office of the Ombudsman, COA and DILG the list, containing the names of accountable barangay officials, who failed to turnover BPFRDs and money accountabilities, if any; and

4.2.2.3.2.5

Assist the City/Municipal Mayor in ensuring a smooth and orderly transition, and the successful conduct of turnover ceremony to the newly elected/re-elected barangay officials.

4.2.2.4 Convene the C/MATT for Barangays and discuss their duties and functions in the conduct of inventory and audit of BFRDPs and money accountabilities;

4.2.2.5 Post the accomplished Final Inventory and Turnover Form No. 2 of all component barangays within the City/Municipal Hall premises and/or in the official website of the City/Municipality.

4.2.2.6 Ensure that BPFRDs and Money Accountabilities subject of the final inventory by the C/MATT are intact and to be turned over to the incoming or newly elected barangay officials; and

4.2.2.7 Monitor compliance of all barangay officials, BIT and C/MATT with this Circular.

4.2.3 DILG REGIONAL DIRECTOR AND ARMM REGIONAL GOVERNOR

All DILG Regional Directors and the ARMM Regional Governor are directed to perform the following:

4.2.3.1 Cause the immediate and widest dissemination of this Circular to all the local government units under their jurisdictional territory;

4.2.3.2 Ensure compliance of this Circular by the concerned local officials;

4.2.3.3 Provide appropriate assistance to Field Officers within the regional territory;

4.2.3.4 Direct the DILG Field Officers to perform their respective duties and functions to implement this Circular within their respective areas of responsibilities; and

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4.2.3.5 Submit Regional Consolidated Reports to DILG Secretary, through the National Barangay Operations Office (NBOO) via gmail at nboo.dilgco@gmail.com, using the prescribed monitoring forms on the following schedule:

ANNEX

TYPE OF REPORT

DATE OF SUBMISSION

"D"

Regional Consolidated Report on the Creation of C/MATT for Barangays and Barangay Inventory Team

On or before 15 April 2018

"E"

Regional Consolidated Report on the Conduct of Initial and Final Inventory of BPFRDs and Money Accountabilities; and Conduct of Turnover Ceremony

On or before 15 July 2018

4.2.5 DILG PROVINCIAL DIRECTOR

4.2.5.1 Provide necessary assistance to the concerned C/MLGOOs in the conduct of inventory and audit of BPFRDs and money accountabilities;

4.2.5.2 Ensure a smooth and orderly transition and successful conduct of turnover ceremony to the newly elected or re- elected barangay officials; and

4.2.5.3 Consolidate monitoring reports using the prescribed templates (Annexes "F" and "G") and submit the same to the concerned Regional Director and to ARMM Regional Secretary, in the case of provinces in ARMM.

4.2.6 DILG CITY DIRECTOR, CITY AND MUNICIPAL LGOO

4.2.6.1 Provide copy of this Circular to concerned City/Municipal Mayor and all Punong Barangays within the city/municipality;

4.2.6.2 Discuss the pertinent provisions of this Circular to the concerned LCEs;

4.2.6.3 Collaborate with the City/Municipal Accountant to convene the C/MATT for Barangays;

4.2.6.4 Perform the duties and functions as C/MATT member;

4.2.6.5 Ensure compliance of all concerned local officials to this Circular within his/her area of responsibility; and

4.2.6.6 Submit monitoring reports, using the prescribed templates (Annexes "H" and "I"), to the concerned Regional Director, in the case of Highly Urbanized City and Independent Component City, and to the concerned Provincial Director in the case of component city and municipality.

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5.0 SANCTION

Failure by the concerned barangay official to turnover BPFRDs and Money Accountabilities assigned to him/her or under his/her custody may be a ground for the filing of criminal charges in accordance with the Revised Penal Code and other existing laws.

6.0 EFFECTIVITY

This Circular shall take effect immediately.

7.0 APPROVING AUTHORITY

(SGD) EDUARDO M. AÑO
Officer-In-Charge, DILG

8.0 FEEDBACK

For related inquiries and clarification kindly contact the National Barangay Operations Office at telephone numbers 925-1137 and 925-0328, or at gmail address nboo.dilgco2018@gmail.com.

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[1] Annex “A” – Executive Order Template
[2] Annex “B” – Inventory and Turnover Form No. 1: Initial Inventory of BPFRDs
[3] Annex “C” – Inventory and Turnover Form 2: Final Inventory and Turnover of BPFRDs and Money Accountabilities
[4] DILG Memorandum Circular No. 2002-122 dated August 5, 2002
[5] DILG Memorandum Circular No. 2002-122 dated August 5, 2002
[6] New Government Accounting System (N-GAS): Item 7.4.3, Chapter VII, MANUAL ON FINANCIAL MANAGEMENT OF BARANGAYS

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