

March 18, 2010

HON. SANTIAGO D. CALIBAT
Punong Barangay
Agan-an Barangay Hall
Sibulan, Negros Oriental

Dear Punong Barangay Calibat:

This has reference to your letter dated February 22, 2010, requesting legal opinion on whether or not your barangay may charge against the 20% of the internal revenue allotment for development projects the cost for the purchase of land where a school building will be constructed. You reported that over the years, as certified by the Municipal Accountant of Sibulan, your barangay still has unexpended appropriations for development projects in the total amount of P848,504.55; and that you now intend to forego with said projects and instead use the unexpended amount in buying the parcel of land as a school site.

It is our considered view that your plan to purchase a lot as a school site and charge the cost against the unutilized 20% internal revenue allotment for development projects still falls within the bounds of Joint Memorandum Circular No. 1 S2005 of the Department of Budget and Management and the Department of the Interior and Local Government. The construction of a school building is without a doubt will contribute to the attainment of desirable economic and social development of the local government unit. And land is an essential component in the construction of a school building. Although the said circular does not expressly provide for the construction of a school building as among the projects covered, nevertheless, the circular provides for "other programs or projects of similar nature". Needless to say, there must be proper alignment of funds in your budget.

Truly yours,

PEDRO A. NOVAL, JR.
Regional Director