

March 24, 2008

HON. RITCHIE R. WAGAS  
Mayor  
Compostela Municipal Hall  
6003 Cebu

Dear Mayor Wagas:

This has reference to your letter dated March 10, 2008, requesting clarification on whether or not the Municipal Development Council has the authority or power to realign the use of the 20% Development Fund and Capital Outlay in reenacted budget.

In reply thereto, please be advised that the Municipal Development Council does not have the authority or power to realign the use of the 20% development fund. The said body has nothing to do with appropriations. The creation of the local development council under the Local Government Code of 1991 mandates the formulation and initiation of the LGU's comprehensive multi-sectoral development plan and public investment program, which is its primary function and concern. The plan formulated by the local development council where the 20% development fund shall be utilized for development projects, shall be submitted to the sanggunian for the purpose of enacting the corresponding ordinance that would provide for the legislative authorization for the release of the budget for identified projects, consistent with the fundamental principle that no money shall be paid out of the local treasury except in pursuance of an appropriation ordinance per Section 305(a) of the Local Government Code of 1991 (Legal Opinion No. 90 S2002).

Truly yours,

PEDRO A. NOVAL, JR.  
Regional Director

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