



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
GENERAL SOLANO STREET, SAN MIGUEL, MANILA

DMS Reference No. 2020-LGRCB-0120997

December 21, 2020

ASSISTANT COMMISSIONER ROLAND A. REY

Local Government Sector
Commission on Audit (COA)
Commonwealth Avenue
Quezon City 1121

Dear **Sir**:

This pertains to the letter dated December 19, 2020 of Undersecretary Martin B. Diño of the Department of the Interior and Local Government (DILG), received by this Bureau today, December 21, 2020, seeking clarification on whether or not the Sangguniang Kabataan (SK) officials are allowed to disburse SK funds for their attendance to electronic sessions, Facebook live ceremonies, and modules delivered through asynchronous mode.

At the outset, may we note that Sections 20 (a) and (c) of the SK Reform Act of 2015 (Republic Act [RA] No. 10742) provide the following:

- “(a) The Sangguniang Barangay shall appropriate the Sangguniang Kabataan funds in lump-sum which shall be disbursed solely for youth development and empowerment purposes.”

- “(c) All Sangguniang Kabataan funds shall be allocated in an annual budget, and if the funds allow, in a supplemental budget in accordance with the adopted Annual Barangay Investment Program. Both the Comprehensive Barangay Youth Development Plan and Annual Barangay Youth Investment Program [ABYIP] shall give priority to programs, projects, and activities that will promote and ensure equitable access to quality education, environmental protection, climate change adaptation, disaster risk reduction and resiliency, youth employment and livelihood, health and anti-drug abuse, gender sensitivity, sports development, and capability building which emphasizes leadership training.”

The said priority programs, projects, and activities (PPAs), and expenses under the said provisions in Section 20 of RA No. 10742 cover a wide array of sub-PPAs that may be implemented by the SKs out of their respective SK funds.

Considering the financial independence granted to the SKs under Section 20 (b) of RA No. 10742, it is deemed that the SKs are in a better position to determine if their attendance to such learning activities fall within the purview of the program objectives for youth development and empowerment purposes as specified under RA No. 10742.

Nevertheless, may we note that per our initial perusal, the SK officials may only be allowed to disburse for registration/participation fees since the proposed learnings will be conducted via online, subject to the pertinent provisions of RA No. 10742, its Implementing Rules and Regulations, Department of Budget and Management-DILG-National Youth Commission Joint Memorandum Circular No. 2019-1 dated January 23, 2019,¹ Commission on Audit's (COA's) Handbook of the Financial Transactions of SK (HFTSK), and other applicable budgeting, accounting and auditing laws, rules and regulations.

Notwithstanding the foregoing, considering that the COA is constitutionally mandated to promulgate rules and regulations for the prevention and disallowance of prohibited uses of government funds and properties, and that the HFTSK was promulgated by the Commission, may we respectfully forward the subject request for your opinion.

Thank you and God bless.

Very truly yours,



JOHN ARIES S. MACASPAC

OIC-Director IV

cc: Undersecretary Herman B. Jumilla, DBM

Undersecretary Martin B. Diño
Office of the Undersecretary for Barangay Affairs
Department of the Interior and Local Government
DILG-NAPOLCOM Center, EDSA corner Quezon Avenue
West Triangle, Quezon City 1104

¹ Guidelines on the Appropriation, Release, Planning and Budgeting Process for SK Funds
LOCAL GOVERNMENT AND REGIONAL COORDINATION BUREAU
(632) 657 3300 | www.dbm.gov.ph