



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT
DILG-NAPOLCOM Center, EDSA corner Quezon Avenue, Quezon City

May 11, 2015

MEMORANDUM CIRCULAR
NO. 2015-52

T O : ALL PROVINCIAL GOVERNORS, CITY MAYORS, MUNICIPAL MAYORS, PUNONG BARANGAYS, DILG REGIONAL DIRECTORS AND OTHERS CONCERNED

SUBJECT : AMENDING CERTAIN PROVISIONS OF DILG MC 2014-155 RE: GUIDELINES ON MOTOR VEHICLE ACQUISITION BY THE LGUs

In view of the attached letter dated April 10, 2015 of Undersecretary Luz M. Cantor of the Department of Budget and Management (DBM), clarifying the definition of “unencumbered local funds” and allowing the utilization of loan proceeds as a funding source on the purchase of motor vehicles and heavy equipment, the following provisions of DILG Memorandum Circular No. 2014-155 are hereby amended, to read, as follows:

Item 2.1 Motor vehicle purchases may be sourced from the following:

2.1.1. *Unencumbered local funds*, as referred to under Presidential Administrative Order No. 233, *are local funds free from obligation not yet obligated, but are intended for the purpose for which it was appropriated.* It may include unobligated loan proceeds in the local treasury, which were taken-up in the books of the LGU as trust fund, for the fulfillment of an obligation or purpose in which the loan was contracted and approved; and

Item 2.2. Loan proceeds may be utilized as a funding source in the acquisition of motor vehicles, provided that *“the terms and conditions must be specified in the loan agreement entered into by and between the LGU and the lending institution, and is supported by sanggunian resolution or ordinance.”*

Item 4.1 Documentary requirements to be submitted to facilitate the smooth processing of requests in the issuance of authority to purchase motor vehicles, include the following:



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- 4.1.1 Local Chief Executive's (LCE's) letter request stating the type or vehicle to be purchased, number and specification of motor vehicles (i.e., engine displacement, gasoline-fed or diesel-fed and number of cylinders, specifically for motor vehicles requiring the issuance of the DILG authority), the purpose, and the deployment for which such vehicles will be used; and
- 4.1.3 Local *Appropriation* Ordinance approving such purchase, indicating the *source of fund*. In the case of LGU requests utilizing loan proceeds as a funding source, a certified true copy of the loan agreement between the LGU and the lending institution, supported by appropriate sanggunian resolution, must also be submitted.

In this connection, all DILG Regional Directors are directed to make the initial determination and review on whether the requesting LGU has submitted all the documentary requirements, inform the concerned LGU of any lacking documentary requirements, and ensure that all documentary requirements are complete upon indorsement to the Central Office. Likewise, you are also directed to cause the widest dissemination of this Memorandum Circular to the concerned LGUs within your respective areas of jurisdiction.


MAR ROXAS
Secretary 




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