

DRN: FMS BDREG-A-COMM-22-02-06089-S

## MEMORANDUM

**FOR** : **HUMAN RESOURCE MANAGEMENT AND DEVELOPMENT SERVICE**  
DSWD Central Office

**THE REGIONAL DIRECTORS**  
DSWD Regional Offices I to XII, NCR, CAR and CARAGA

**ATTENTION** : **ALL BUDGET OFFICERS**

**FROM** : **THE UNDERSECRETARY**

**SUBJECT** : **FINANCIAL MANAGEMENT GUIDELINE NO. 20, GUIDELINES ON THE USE OF THE ALLOTMENT FOR PERSONNEL SERVICES**

**DATE** :

### I. RATIONALE

As stated in the Section 53, General Provisions of the FY 2022 General Appropriations Act (GAA), the appropriations for Personnel Services (PS) under this Act shall be used for the payment of Personnel Benefits authorized by law to be given to National Government personnel. Any available allotment for Personnel Services within a department or agency may be utilized by said department or agency for the payment of deficiencies in authorized personnel benefits.

The following guidelines may be observed in the use of PS allotments released to the department or agency for the original purpose of appropriations and to cover PS deficiencies in Authorized Personnel Benefits. In instances where an insufficiency in PS occurs and frontloading shall be resorted to, available PS allotments which have been comprehensively released may be utilized subject to approval of Agency Head in the reallocation/modification of funds thru Advice for Use of PS Allotment (APSA).

### II. LEGAL BASIS

- a. R.A. No. 11639 or the FY 2022;
- b. Republic Act No. 9433 – An Act Providing For a Magna Carta For Public Social Workers;
- c. National Budget Circular No. 587 dated January 3, 2022 on the Guidelines on the Release of FY 2022 Funds;
- d. Government Accounting Manual for National Government Agencies, Volume III

### III. OBJECTIVES

To provide for policy guidelines in the allocation and utilization of funds for personnel services expenditures.

### IV. DEFINITION OF TERMS

This guideline shall cover the following object of expenditures of Personnel Services (PS):

**Salaries and Wages-Regular** - services rendered of government employees occupying regular plantilla positions.

**Salaries and Wages-Casual/Contractual** - services rendered by employees contracted/hired to perform regular agency functions and specific vital activities or services which cannot be provided by the regular or permanent staff of the agency. They are considered employees of the hiring agency limited to the year when their services are reasonably required.

**Personnel Economic Relief Allowance (PERA)** - allowance granted to government personnel occupying regular, contractual or casual positions; appointive or elective; rendering services on full-time or part-time basis; and whose positions are covered by R.A. No. 6758, as amended.

**Representation Allowance (RA)** - monthly representation allowance granted to authorized officials and employees in the actual performance of their respective functions, both commutable and reimbursable.

**Transportation Allowance (TA)** - monthly transportation allowance granted to authorized officials and employees in the actual performance of their respective functions, both commutable and reimbursable.

**Clothing/Uniform Allowance** - fixed amount granted to authorized government officials/employees for the upkeep/replacement of clothing/uniform paid in cash or in kind.

**Subsistence Allowance** - amount granted to authorized government officials/employees to cover cost of accommodations, meals and incidental expenses incurred by employees who are on official business.

**Laundry Allowance** - amount granted to authorized government officials/employees to cover the cost of laundry of uniform of employees who are on official business.

**Quarters Allowance** - amount granted to authorized government officials/employees to cover cost of accommodation or suitable and adequate living quarters incurred by employees who are on official business.

Productivity Enhancement Incentive - fixed amount granted to authorized government officials/employees for at least satisfactory performance in the discharge of their official duties. The PEI is meant to improve the productivity of government workers.

Hazard Pay - payment to government officials/employees assigned in difficult/dangerous/strife-torn/embattled areas as certified by appropriate government body and to those whose lives are directly exposed to work conditions which may cause them injury/sickness/death/harmful change.

Overtime and Night Pay - extra compensation paid to government employees who are authorized to work for more than the normal 40 hours in one workweek or on days of rest.

Mid-year Bonus - The Mid-year Bonus equivalent to one (1) month basic salary, shall be granted to all National Government personnel, whether under regular, temporary, casual or contractual status, on full-time or part-time basis. (please see Sec. 65 of General Provisions of GAA FY 2022)

Year-end Bonus – The Year-end Bonus equivalent to one (1) month basic salary, shall be granted to all National Government personnel, whether under regular, temporary, casual or contractual status, on full-time or part-time basis. (please see Sec. 66 of General Provisions of GAA FY 2022)

Cash Gift – an amount of Five Thousand Pesos (P5,000) granted annually in addition to the year-end bonus to government officials and employees as authorized by law.

Other Bonuses and Allowances - other authorized bonuses and allowances granted to government officials/employees not falling under any of the specific other compensation accounts.

Terminal Leave - the money value of the accumulated leave credits of government officials and employees.

## V. OPERATIONAL GUIDELINES

1. Allotments for PS are provided annually in the General Appropriations Act.
2. Use of PS Appropriations. ***Section 53, General Provision of FY 2022 GAA, the appropriations for Personnel Services under this Act shall be used for the payment of Personnel Benefits authorized by law to be given to National Government personnel. Any available allotment for PS within a department or agency may be utilized by said department or agency for the payment of deficiencies in authorized personnel benefits.*** Authorized Personnel Benefits (APB) refer to compensation of government employees pursuant to law and those authorized by the President of the Philippines. Authorized compensation shall be as follows:
  - a. Basic Salaries, including Step Increments
  - b. Standard Allowances and Benefits, which shall be limited to the following:
    - i. Personnel Economic Relief Allowance;
    - ii. Uniform or Clothing Allowance; and
    - iii. Mid-year Bonus, Year-end Bonus and Cash Gift

- c. Specific-Purpose Allowances and Benefits, limited to the following:
  - i. Representation and Transportation Allowances (RATA);
  - ii. Honoraria;
  - iii. Overtime Pay;
  - iv. Subsistence Allowance;
  - v. Hazard Pay;
  - vi. Special Counsel Allowance, Overseas and Other Allowances for Government Personnel Stationed Abroad; and Other allowances and benefits as may be authorized by law or the President of the Philippines
- d. Incentives, which refer to the following:
  - i. Loyalty Incentive;
  - ii. Anniversary Bonus;
  - iii. Productivity Enhancement Incentive;
  - iv. Performance-Based Bonus;
  - v. Other existing benefits as may be categorized by DBM as incentives
- e. Magna Carta Benefits as authorized by law and its Implementing Rules and Regulations

Available PS allotments released shall be used for the (i) original purpose of appropriations; and (ii) to cover PS deficiencies in Authorized Personnel Benefits.

3. Incurring Obligations for PS. The obligations for PS object of expenditures shall be obligated in the month/period for which the expenditure are incurred, as follows:
  - a. Monthly basis - Salaries and Wages-Regular, Salaries and Wages-Casual/Contractual, PERA, RATA, Subsistence Allowance, Laundry Allowance, Overtime and Night Pay (OT). Note however, that OT shall be subject to availability of PS allotments pursuant to Subsection 4 hereof.
  - b. Annual Basis (on the proper period/month where the PS benefit shall be incurred) - Mid-year Bonus, Year-end Bonus, Cash Gift, Productivity Enhancement Incentive, Other Bonuses and Allowances
  - c. Such other periods may be determined by the nature of the PS that will be processed.
4. Available PS Allotments. Pursuant to NBC 587 dated January 3, 2022, the available PS allotments may be realized from unspent compensation of employees due to the following:
  - a. Incurrence of leaves of absence without pay;
  - b. Vacant positions on account of termination, resignation, transfer, retirement or separation;
  - c. Delay in the actual assumption of duty from the date of the appointment;
  - d. Suspension and other disciplinary sanctions;

- e. Erroneous computations of PS benefits; or
- f. Other similar instances

For Basic Salaries, including Step Increments and Standard Allowances and Benefits as well as RATA, under Subsection 2 hereof, the funding requirement shall be sourced from any available allotment for PS.

For Overtime pay, the availability of funds shall be based on the amount generated from the list of funded but unfilled/vacant positions. Said data can be obtained from the respective Personnel Administration Division/Units of the Human Resource Development and Management Service/Division of Central Office and Field Offices, respectively.

To determine the available PS allotments for other APB, appropriations for unfilled/vacant positions, basic salaries and other APB shall be taken into account. The Budget Officers in coordination with the Personnel Officers are advised to maintain data as provided in **Annex A** hereof.

5. Frontloading of Funds. In case there is no available allotment on the specific PS object of expenditure, as provided in Subsection 4 above, at the time when payment of APB shall be made, the Budget Officers may front load such deficiency against the unobligated PS allotments comprehensively released pertaining to the funding requirements of such APB.

The payment of the APB using available PS allotment shall be subject to the approval of the Agency Head in the reallocation/modification of funds thru Advice for Use of PS Allotment (APSA).

#### 6. Monetization

Monetization of leave credits may be accommodated on such period as may be prescribed by the Committee on Monetization of the CO/FO but subject to available PS allotments after payment of Authorized Personnel Benefits.

The fund source for monetization of leave credits may be determined in the same manner of determining availability of funds for OT pay in Subsection 4, hereof. Provided, however, that since APB may be requested from DBM, for purposes of determining whether the CO/FO may be able to accommodate the requests for monetization, the Budget Officers must ensure that the PS allotment from funded but unfilled/vacated position is sufficient to cover the funds required for OT pay, hazard pay, if any, thus, the following formula, may be considered:

I. PS Allotment Generated from List of Funded but Unfilled/Vacated Regular Position		xxx
Less:		
Overtime Pay	xxx	(xxx)
Hazard Pay	xxx	(xxx)
Available PS allotment, Regular		xxx
II. Lumpsum Appropriation for Casual/Contractual Positions		xxx
Less:		
Cumulated Actual Monthly Obligated for Salaries and Wages for Casual/Contractual Positions	xxx	(xxx)
Overtime Pay	xxx	(xxx)
Other authorized personnel benefits	xxx	(xxx)
Available PS allotment, Lumpsum Appro		xxx
III. Regular PS		xxx
Lumpsum Appro-Casual/Contractual		xxx
Total Available PS allotment that may be used for Monetization		xxx

7. Terminal Leave Benefits

The funding for Terminal Leave Benefits (TLB) for compulsory retirees as submitted by the Department during the budget proposal will form part of the allotment for P/A/P: Administration of Personnel Benefits which shall be monitored in a separate registry.

For TLB claims, other than compulsory retirees, generally, the funding requirements for such claims shall be requested to the Department of Budget and Management (DBM). However, in cases where the DBM does not issue an allotment but has authorize the use of comprehensive released available PS allotment in the Department in accordance with the existing GAA provision, Subsection 4 hereof shall be followed as fund source of the TLB. A separate guideline will be issued informing the Field Offices of the authority to use available PS for TLB.

8. Augmentation of PS

In case where the funding of all APB will result in a PS deficit, the Department shall submit to the DBM a request for Augmentation of PS Allotment.

For FO, the request for augmentation of PS may be resorted to only upon showing proof that the PS allotment is not sufficient to cover APB. Such request for augmentation must be supported by the Analysis of PS Allotment, following **Subsection IV** hereof. In addition, the request for augmentation of PS may be considered in the fourth (4<sup>th</sup>) quarter of FY 2022.

VI. EFFECTIVITY

This guideline shall take effect immediately.

For your guidance and strict compliance.



ATTY. ADONIS P. SULIT, CESO II



