



REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF BUDGET AND MANAGEMENT  
MALACANANG, MANILA



**NATIONAL BUDGET CIRCULAR**

No. 456  
November 11, 1996

TO : HEADS OF DEPARTMENTS, BUREAUS, OFFICES AND AGENCIES OF THE NATIONAL GOVERNMENT INCLUDING STATE UNIVERSITIES AND COLLEGES; GOVERNMENT-OWNED AND -CONTROLLED CORPORATIONS AND GOVERNMENT FINANCIAL INSTITUTIONS; AND ALL OTHERS CONCERNED

SUBJECT : GUIDELINES ON THE PROVISION OF FREE QUARTERS TO CERTAIN OFFICIALS

**1.0 Purpose**

This Circular is being issued to prescribe guidelines concerning the provision of free quarters to certain officials pursuant to Section 42 of the General Provision of R.A. 8172 otherwise known as the 1996 General Appropriations Act and to the pertinent provision of subsequent General Appropriations Acts.

**2.0 Coverage**

The provisions of this Circular shall apply to the following officials and their equivalent who are assigned or transferred to a place other than that of their domicile and do not own houses or rooms therein, by virtue of agency policies or reshuffling or rotation:

	<u>Category</u>
2.1 Department Regional Directors;	A
2.2 Department Assistant Regional Directors;	A
2.3 Bureau Regional Directors; and	B
2.4 Assistant Bureau Regional Directors	B

**3.0 Exemptions**

The following are not covered by this Circular:

- 3.1 Those who are covered by RA 7305 or the Magna Carta of Public Health Workers;



*"Tulong-tulong sa pagsulong!"*

- 3.2 Uniformed personnel of the Department of Interior and Local Government, Department of National Defense and the National Mapping and Resource Information Authority;
- 3.3 Those who are expressly provided free quarters under existing laws, rules and regulations; and
- 3.4 Those who are stationed abroad.

#### 4.0 Definition of Free Quarters

As used in this Circular free quarters shall mean the free use of government-owned or leased place of lodging (fully furnished) which may include telephone, water and electricity for basic needs.

#### 5.0 Guidelines

- 5.1 Heads of national government agencies, government-owned and -controlled corporations and financial institutions may provide free quarters within their office premises to officials covered under this Circular who are reassigned or transferred to a place other than of their domicile and do not own houses or rooms therein subject to the guidelines prescribed in this Circular without the need for approval by the Department of Budget and Management;
- 5.2 Where there is not enough space to be used as quarters, the agency concerned may rent houses or rooms which shall serve as quarters at reasonable rates based on the prevailing cost of rental in the area or locality as determined under Chapter 4 of the Manual of Building Services and Real Property Management (BSRPM) issued under Joint DBM, DENR and DPWH Circular No. 1, dated September 30, 1989 but not to exceed the rates prescribed below:

<u>Area/Locality</u>	<u>Category</u>	
	<u>A</u>	<u>B</u>
Special Cities (Mla/QC)	P3,000	P2,500
Highly Urbanized Cities/Capital Centers	2,500	2,000
Others	2,000	2,000

- 5.2.1 The rental contract shall be entered into by and between the agency concerned and the owner of the dwelling unit; and the rental payment shall be paid to the latter and not commuted in favor of the officials concerned.

5.3 The above rates shall be inclusive, however, of the amount for telephone, water and electric bills.

5.4 Those who desire more expensive/extensive quarters other than those provided by their agency or by rental in the amount authorized under Item 5.2 hereof, may secure such preferred quarters, provided that the difference between the rental cost and the amount authorized therefor shall be paid by the former.

#### 6.0 Funding Source

The funding sources for the amount necessary for the implementation of the provisions of this Circular shall be as follows:

6.1 For national government agencies, the amount shall be charged against the released allotment for Maintenance and Other Operating Expenses (MOOE) and thereafter shall form part of the yearly contracted rental of the office building as mandatory expenses.

6.2 For government-owned and -controlled corporation, and financial institutions, the amount shall be charged against their respective corporate funds.

#### 7.0 Resolution of Cases

Cases not covered by the provisions of this Circular shall be submitted to the Department of Budget and Management for resolution.

#### 8.0 Effectivity

This Circular shall take effect January 1, 1996.



SALVADOR M. ENRIQUEZ, JR.

Secretary