

DEPARTMENT OF BUDGET AND MANAGEMENT (DBM)
LEGAL DEFENSE FUND CLAIMS BOARD (CLAIMS BOARD)
General Solano St., San Miguel, Manila



RESOLUTION NO. 2017- 01

**APPROVING THE INTERNAL GUIDELINES ON THE REQUIREMENTS AND
PROCEDURE IN THE PROCESSING OF CLAIMS AGAINST THE LEGAL
DEFENSE FUND (LDF) OF DBM EMPLOYEES**

WHEREAS, National Budget Circular No. 566 dated December 15, 2016 (*Guidelines in the Utilization of the Legal Defense Fund for FY 2016 and Succeeding Years*) seeks to promote the welfare and extend assistance to government personnel for actual expenses incurred by government personnel in relation to the defense of administrative, civil or criminal cases filed against them in courts for acts committed in the performance of their actual functions. Further, NBC No. 566 was issued to prescribe the guidelines in the use of the LDF, including the establishment of the appropriate organizational and procedural set-up for its release and utilization;

WHEREAS, Item 3.6(c) of NBC No. 566 provides that the LDF Claims Board shall issue internal guidelines consistent with the said Circular;

WHEREAS, there is a need to prescribe the rules and procedures in the processing of claims against the LDF;

WHEREAS, Office Order No. 800 dated December 29, 2016 established the DBM LDF Claims Board;

NOW, THEREFORE, for and in consideration of the foregoing premises, the LDF Claims Board hereby **RESOLVES** to **ADOPT** the following *Internal Guidelines on the Requirements and Procedure in the Processing of Claims Against the Legal Defense Fund (LDF)* attached hereto as Annex "**1**".

This Resolution shall take effect immediately.

APROVED this 26th of January 2017 in the Department of Budget and Management, Manila, Philippines.


ASEC. AMENAH F. PANGANDAMAN
Member


DIR. LEILA MAGDA G. RIVERA
Member



DIR. DOLORES E. GALURA
Member

(ABSENT)
ATTY. MARIA PAULA B. DOMINGO
Vice-Chairperson



USEC. AGNES JOYCE G. BAILEN
Chairperson

INTERNAL GUIDELINES ON THE REQUIREMENTS AND PROCEDURES IN THE PROCESSING OF CLAIMS AGAINST THE LEGAL DEFENSE FUND (LDF) OF DBM EMPLOYEES

1.0 OBJECTIVE

To determine the eligibility of the claimant, and the expenses and the amounts to be charged against the LDF; and if qualified, to endorse the same to the Finance Service which shall compute the total amount of legal expenses which the claimant is entitled to within the allowable amounts consistent with existing budgeting, accounting and auditing rules and regulations.

2.0 COVERAGE

Incumbents, separated or retired employees with plantilla positions of the Department of Budget and Management (DBM) – Office of the Secretary (OSEC) and Government Procurement Policy Board (GPPB), who, in the performance of their official functions, may face administrative, civil, or criminal charges before courts, for which they incur actual expenses in the defense of their cases.

3.0 GENERAL PROVISIONS

- 3.1 Any favorable decision by the LDF Claims Board shall be final and executory. In case of denial of the claim, the same shall be appealable to the Office of the President;
- 3.2 The LDF Claims Board shall assign their respective alternates who are empowered and authorized to represent and act for and in their behalf except the right to vote;
- 3.3 LDF Claims Board shall designate the member/s of the secretariat who may assist the board in the preparation of resolutions and such other documents relative to the functions of the LDF Claims Board;
- 3.4 The LDF Claims Board shall carry out its business by a majority vote of the members present. However, all decisions shall be arrived at by a majority decision of all the members; and
- 3.5 In the event of competing claims among employees of a specific agency, priority shall be given to rank and file employees over the agency's senior officials.

4.0 SPECIFIC PROVISIONS

- 4.1 Claims against the LDF may be availed of with the concurrence of the following requirements:


- 4.1.1 The administrative, civil or criminal case arose from the performance of the claimant's responsibilities and functions;

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- 4.1.2 The case is filed before any court or those under the supervision of the Supreme Court; and
- 4.1.3 The claim is filed before the agency where the claimant performed responsibilities and functions subject of the case.
- 4.2 Eligible legal expenses shall be claimed and be limited to the following types and amounts of expenses per case and can only be availed of once;

Payee	Type of Expense	Maximum Amount Inclusive of Taxes
Claimant	Bail bond	Payment of bond premiums. No reimbursement of cash bond shall be allowed.
Claimant	Transportation expenses for every hearing, appearance, meeting or conference with the claimant's lawyer.	Amount, supported by receipts and subject to the following: (i) travel authority by the head of agency or his duly authorized representative; (ii) for meetings and conferences, limited to four (4) in a month; and (iii) compliance with accounting and auditing rules and regulations.
Claimant	Expenses for photocopying of documents, required certifications, and transcript of stenographic notes	Photocopying expenses shall be based on the actual amount incurred while the other expenses shall be based on the prescribed legal fees under Rule 141 of the Rules of Court, as amended, but not to exceed a total amount of Ten Thousand Pesos (P10,000) for every case.
Claimant	Fees to be paid to private counsel for the preparation or filing of pleadings and/or motions, excluding Motions to Reset Hearing and for Extension of Time	Total amount not to exceed Twenty Thousand Pesos (P20,000) per case
Claimant	Acceptance and/or attorney's fee to be paid to private counsel	Total amount not to exceed Fifty Thousand Pesos (P50,000) per case

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Claimant	Appearance fee to be paid to private counsel for every hearing or appearance before a court	Amount based on the prescribed minimum rates of the local Integrated Bar of the Philippines (IBP) chapter, or if not available, the rates of the nearest IBP chapter where the case is being heard or tried. If the IBP rates are not available, the appearance fee shall not be more than Five Thousand Pesos (P5,000) per hearing.
Government Legal Counsel	Transportation and other travel expenses for every hearing or appearance before any court and for interviews with client or preparation of documents	For transportation expenses, the amount supported by receipts and subject to the following: (i) travel authority by the head of agency or his duly authorized representative; (ii) for meetings and conferences, limited to four (4) in a month; and (iii) compliance with accounting and auditing rules and regulations. For Other Travel Expenses, those provided under EO No. 248, s. 1995 (<i>Prescribing Rules and Regulations and New Rates of Allowances For Official Local And Foreign Travels Of Government Personnel</i>), and any amendments and guidelines thereto
Government Legal Counsel	Appearance Fee	Amount authorized for Special Counsel Allowance under the General Provisions of the annual GAA

4.2.1 All legal expenses in excess of those, and not included above, shall not be allowed.

4.2.2 The maximum allowable amounts abovementioned shall be applied per case, and consolidated cases shall be considered as one case.

4.2.3 For those claims filed under the 2017 GAA, the claimant shall be required to execute the deed of undertaking that he/she will return the amounts granted to him/her by the Board.

4.2.4 The claimant can only avail the legal fund once in every five years.

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- 4.3 The claimant may engage a private or government legal counsel, subject to pertinent laws, rules and regulations;
- 4.4 The claim shall be in a form of cash advance or reimbursement for legal expenses incurred by qualified claimants in relation to their court defense.
 - 4.4.1 The claim in the form of cash advances may only be granted to incumbent personnel for transportation expenses to be supported by an Office Order indicating the duration of the travel and the authorized travel allowance to be granted.
 - 4.4.2 All other authorized legal expenses shall be on a reimbursement basis.

5.0 PROCEDURE

- 5.1 The claimant/s shall file his/their respective claims against the LDF with the head of the Bureau/Service/Office. Upon receipt, the head of the Bureau/Service/Office shall endorse the claim to the LDF Claims Board.
- 5.2 The LDF Claims Board shall examine, review, verify, and validate the authenticity of the documents presented by the claimant/s.
- 5.3 Upon finding that all the requirements have been duly complied with and that all the necessary documents submitted are complete and genuine, the LDF Claims Board shall order the processing of claims and the subsequent release of funds for the approved claims. Otherwise, it shall require completion of documents or deny the same.
- 5.4 The Budget Division (BD) of the Finance Service (FS) shall thereupon examine the completeness of the documents submitted to support the request and forward the same to the BMB-C. Upon receipt of the Special Allotment Release Order, the BD shall advise the LDF Claims Board to prepare the Obligation Request and Status to obligate the computed amount of the approved claim. Upon obligation of the amount and receipt of complete documentation, the Accounting Division of the FS shall process the claim for payment covered by Disbursement Voucher (DV). Upon receipt of the DV, the Cash Division of the Administrative Service shall prepare the List of Due and Demandable Accounts Payable – Advice to Debit Account.
- 5.5 The list of documents to support claims against the LDF is attached as Annex "1-A".

6.0 FUNDING SOURCE

The LDF shall be sourced from the annual appropriations provided in the General Appropriations Act which should be used only for the payment of actual legal expenses incurred by claimants during the same year.

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7.0 AMENDMENTS

In the implementation of these guidelines, the LDF Claims Board may introduce modifications thereto through the amendment of its specific provisions as the need arises.

8.0 EFFECTIVITY

This Guidelines or any amendments thereof shall take effect immediately upon posting in at least three (3) conspicuous places in the Central and Regional Offices of the DBM and electronic mailing sent all at once to its employees.

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LDF Claims Board
Documents to Support Claims Against the LDF

Type of Expense	Supporting Documents
To be paid to Claimant	
1. Bail bond	Proof of payment of bond premiums
2. Transportation (for every hearing, appearance, meeting or conference with the claimant's lawyer)	(1) travel authority by the head of agency or his duly authorized representative (2) proof/certification of attendance to hearing/appearance/meeting/conference with the lawyer, limited to four in a month (3) corresponding Official Receipts (ORs)
3. Photocopying of documents, required certifications and transcript of stenographic notes	Official Receipts (ORs)
4. Fees to be paid to private counsel for the preparation of filing of pleadings and/or motions	Official Receipts (ORs)
5. Acceptance and/or attorney's fee to be paid to private counsel	Official Receipts (ORs)
6. Appearance fee to be paid to private counsel for every hearing or appearance before a court	Official Receipts (ORs)
B. To be paid to Government Legal Counsel	
7. Transportation and other travel expenses for every hearing or appearance before any court and for interviews with client or preparation of documents	(1) travel authority by the head of agency or his duly authorized representative (2) proof/certification of attendance to hearing/appearance/meeting/conference with the lawyer, limited to four in a month (3) corresponding Official Receipts (ORs)
8. Appearance fee	approved Office Order

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