



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



## **LOCAL BUDGET CIRCULAR**

**NO. 63**

October 22, 1996

**TO :** ALL PROVINCIAL GOVERNORS; CITY AND MUNICIPAL MAYORS; BARANGAY CHAIRMEN; NATIONAL/PROVINCIAL/CITY/MUNICIPAL PRESIDENTS, LIGA NG MGA BARANGAY; REGIONAL DIRECTORS OF THE DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT, DEPARTMENT OF FINANCE, DEPARTMENT OF BUDGET AND MANAGEMENT, CIVIL SERVICE COMMISSION, COMMISSION ON AUDIT; PROVINCIAL/CITY/MUNICIPAL AUDITORS AND OTHER OFFICIALS CONCERNED

**SUBJECT :** POSITION CLASSIFICATION AND COMPENSATION OF BARANGAY OFFICIALS AND PERSONNEL

### **1.0 Policy Statements**

- 1.1 Barangay officials shall be compensated in the form of honorarium. The minimum honorarium of barangay officials is set at P1,000 per month for the punong barangay and P600 per month for the sanggunian barangay members, barangay secretary and barangay treasurer. The sangguniang barangay is authorized to create positions as may be deemed necessary to carry out the purposes of the barangay government and to provide compensation thereto. (RA 7160)
- 1.2 The barangay government shall be covered by the Revised Position Classification and Compensation System being administered by the Department of Budget and Management. (Executive Order No. 332)

### **2.0 Purpose**

This Circular is being issued to provide guidelines relative to position classification and compensation in the barangay government in accordance with Republic Act 7160 and Presidential Executive Order No. 332 issued on May 16, 1996.



"Tulong-tulong sa pagsulong!"



### 3.0 Rules and Regulations

- 3.1 Subject to availability of funds and the general limitation on personal services, the honorarium rates of the barangay officials may be adjusted/increased. However, such adjusted rates shall not exceed the rate equivalent to the first step of the following salary grades in the city or municipality where the barangay belongs:

SG-14 for the punong barangay

SG-10 for the sanggunian barangay members,  
barangay secretary and barangay treasurer

- 3.2 The maximum honorarium/salary rates shall correspondingly change to conform with the adjustments authorized by Congress and/or the President of the Philippines notwithstanding the restriction under Section 391(10) of RA 7160.
- 3.3 Positions other than those for the mandatory barangay officials may be created in the barangay and may be compensated in the form of salary or honorarium at the discretion of the barangay government concerned, at rates not exceeding the minimum of the salary grade allocation of the following indicative positions:

POSITIONS	SALARY GRADE
Utility Worker I	1
Clerk I	3
Accounting Clerk I	4
Barangay Health Aide	4
Revenue Collection Clerk I	5
Day Care Worker I	6
Administrative Assistant	8

Positions compensated in the form of salary shall be allocated to their proper position titles and salary grades in accordance with the revised Index of Occupational Services, Position Titles and Salary Grades under LBC No. 61. Position titles not consistent with the said Index shall be subject to approval by the Department of Budget and Management

through the Compensation and Position Classification Bureau in accordance with LBC No. 53.

- 3.4 Barangay tanods and members of the Lupon Tagapamayapa may be granted honorarium, allowances or other emoluments provided the total amount shall not exceed the minimum salary rate for SG-1.
- 3.5 The honorarium/salary rates shall be in accordance with the salary schedule being implemented by the city or municipality where the barangay is located, as authorized under the implementing rules of RA 6758.
- 3.6 In the event that local funds will not be sufficient to implement the maximum honorarium/salary rates as prescribed, increase in the same shall be made proportionately and uniform for all positions in the local government concerned. (Illustrative Example A)
- 3.7 Applicability of this Circular insofar as increase in honoraria/salary cannot be made retroactive.
- 3.8 Barangay personnel paid on salary basis referred to in sub-paragraph 3.2 above, and whose positions are classified in accordance with RA 6758 and issued appointments in accordance with the Civil Service law, rules and regulations may be entitled to the following benefits in accordance with law, rules and regulations pertaining thereto:

BENEFITS			LEGAL BASIS		
Personnel Allowance	Economic	Relief	The	General	Appropriations Act; Budget Circular No. 4 as amended
Additional Compensation			Administrative Order No. 53		
Year-End Benefits			RA 6686; Budget Circular No. 7		



**Productivity Incentive Benefits**

Administrative Order No. 161;  
Circular Letter No. 3-96 and  
National Compensation Circular  
Nos. 73 and 73-A

and other benefits accruing to  
other regular government  
employees at rates not exceeding  
those as provided for by pertinent  
law or Presidential authority and  
guidelines authorizing the same

3.8.1 The grant thereof shall be subject to availability of local funds  
and approval of the barangay government.

3.9 Officials and employees other than those referred to in sub-paragraph 3.8  
are not entitled to the aforementioned benefits except for the elective and  
mandatory appointive officials whose entitlement to the year-end benefits  
is specifically provided for by law.

**4.0 Prohibition**

4.1 The Punong Barangay/Sangguniang Barangay are prohibited from  
granting any adjustment in excess of the amounts herein authorized.

4.2 The province and the city or municipality where the barangay belongs  
cannot grant additional compensation to the barangay officials and  
employees in the form of honorarium or salary increase chargeable  
against either provincial, city, municipal or barangay funds.

**5.0 Funding**

5.1 The amount necessary for the implementation of honorarium/salary  
adjustments shall come from the respective barangay funds.

5.2 Said amount shall be provided for in an appropriation ordinance to be  
enacted by the Sangguniang Barangay and henceforth shall be included  
in the budget of the barangay.

5.3 Appropriations for personal services of a barangay for one (1) fiscal year shall not exceed fifty-five percent (55%) of the total annual income actually realized from local sources during the next preceding fiscal year.

5.3.1 However, enforcement of this limitation shall be waived insofar as the minimum rate of honoraria of P1,000 for the punong barangay and P600 for the other mandatory barangay officials are concerned and in the increase or adjustment of such minimum rates pursuant to item 3.1 above.

5.3.2 For the other employees contemplated under the 2nd paragraph of item 3.2 said personal services limitation is further waived for the continued implementation of the Compensation Standardization Law.

#### **6.0 Separability Clause**

6.1 Barangay officials/employees who are already receiving higher honorarium rates than those authorized under this Circular may continue to receive the same. However, such higher rates shall be co-terminus with the present incumbent of the positions.

6.2 If for any reason any section or provision in this Circular is declared invalid, other sections or provisions thereof which are not affected thereby shall continue to be in full force and effect.

#### **7.0 Saving Clause**

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

#### **8.0 Repealing Clause**

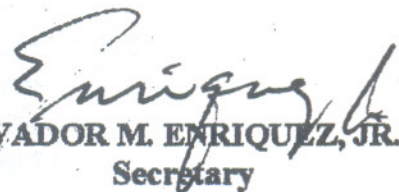
Local Budget Circular No. 58 dated July 7, 1995 and all other issuances, rules and regulations inconsistent with this Circular are hereby revoked/repealed accordingly.

**9.0 Responsibility for Dissemination**

The city and municipal governments concerned shall see to it that their component barangays are given a copy each of this Circular.

**10.0 Effectivity**

This Circular shall take effect not earlier than January 1, 1996.

  
**SALVADOR M. ENRIQUEZ, JR.**  
**Secretary**



# Annex "A"

## Computation of Honoraria Increase Proportionately and Uniformly Applied

Barangay A, a barangay in a second class municipality, has only P5,000 a month available for the increase in honoraria of its officials, namely the punong barangay, sangguniang barangay members, barangay secretary and barangay treasurer.

Assuming the municipality is implementing in full the salary rates under LBC No. 60 for a 2nd class municipality, said increase shall be computed as follows:

	Present Rate	Maximum Rate Allowable (LBC 60)	Difference	% Increase	Increase Proportionately and Uniformly Applied
Punong Barangay	P 1,000	P 6,216	P 5,216	9.93	P 518
Sanggunian					
Member x 8	600	5,111	36,088	9.93	3,584
Secretary	600	5,111	4,511	9.93	448
Treasurer	600	5,111	4,511	9.93	448
Total amount needed			P50,326		P 4,998

### Computation :

amount available	P 5,000	
	<u>          </u>	= .0993
total amount needed	P50,326	