



# The DBM Bulletin

The Official Newsletter of the Department of Budget and Management

# WONDER WOMEN



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## Secretary's Corner



When I was appointed Budget Chief by President Duterte, I was determined to champion the modernization of the Philippine budgeting system. Admittedly, it is an ambitious and difficult quest, considering that in the past, similar bills were filed in Congress, but none got to first base. Hopefully this time around, with a reform-oriented President and a supportive Congress, we will have the Budget Modernization Bill (BMB) enacted into law within the year.

The Budget Modernization Bill is one of the reforms being proposed by the Administration, in an effort to promote greater fiscal transparency, accountability, and prudence in spending, and to improve the country's Public Financial Management (PFM) System.

The Bill mandates a shift from an obligation-based to a cash-based budgeting system. This implies a disciplined budgetary decision-making and approval process, highlighted by the one-year validity of appropriations, cash-based appropriations, and performance reviews based on actual disbursements.

If approved, this Budget Modernization Law will address some of the major weaknesses in our PFM system, such as low budget credibility, reliability, accounting, and reporting, as identified in the World Bank's Public Expenditure and Financial Accountability assessment.

But even before the passage of the Bill, we have already started implementing key major PFM reforms to enhance budget reliability and credibility, as well as reporting.

In 2017, our first year in office, we began the shift to the one-year validity of appropriations to address government underspending. By definition, underspending occurs when actual disbursements fall short of programmed spending. Underspending is unacceptable because it means unnecessary delays in the delivery of public services. Worse, it might mean outright failure to deliver services to potential beneficiaries.

In 2014, underspending reached 13%; in 2015, it was 12%. With the implementation of the one-year validity of appropriations – as well as other reforms such as the General Appropriations Act as the Allotment Order (GAAAO) – underspending had been cut to 3% in 2017.

Next year, we will take our reforms a notch higher by shifting to an annual cash-based budget, from an obligation-based budget. This will ensure faster budget implementation and timelier delivery of public services.

Every one knows that the national budget is a potent tool towards development. This is why we are very determined in pushing for the passage of this Bill. Its passage could be a game changer. Given that the national budget, in nominal terms, has increased three times, in such a short period of time, we need to change the way we do budgeting. We have to modernize the budget system. Business as usual will mean failure.

Public spending is now one of the biggest drivers of growth in the Philippines. But growth for growth's sake is empty. For growth to be meaningful, it has to be inclusive. This is why we are serious in reforming our budgeting system. We believe that our sizeable investments in infrastructure and human development will only be felt by all, if our budgeting system is open, effective, and efficient.

With the budget reforms we have put in place during the last two years, we have built a strong momentum towards improving the lives of Filipinos. We should institutionalize these reforms by passing the Budget Modernization Bill.

Yet, there will be some who will refuse to see these changes. There will be critics and detractors. But we should not be distracted. We should forge ahead and continue the quest for a better, safer, more prosperous, greener, more equal, and more beautiful Philippines.

*Excerpts from the speech delivered by Secretary Benjamin E. Diokno during the Forum on the Budget Reform Program for Development Partners on June 14, 2018 at Bayleaf Hotel, Manila.*

## 8 Things You Need to Know

## 2 Things You Don't Want to Know about DBM

For the 82nd Anniversary of the DBM, we give you bits of noteworthy knowledge about the Department, as well as some ghastly and heart-wrenching stories about it.

### 8 Things You Need to Know ...

1. The first Budget Law was passed on December 17, 1937 as Commonwealth Act No. 246. It took effect on January 1, 1938, providing for a line-item budget as the framework of the government's budgeting system.
2. The original DBM seal depicted a large key and a weighing scale or balance. It was changed into the present design by the National Historical Institute in 1978 for the then Ministry of the Budget (MB).
3. The shortest-serving Budget Chief was Sec. Joaquin Lagonera (March-July 2010), while the longest-serving was Commissioner Faustino Sy-Changco (1960-1975).
4. Secretary Emilia T. Boncodin was the first and only female Secretary of the DBM, so far.
5. The MB Christmas bonus in 1978 was Fifty Pesos (PhP50.00).
6. Aside from Secretary Benjamin E. Diokno, two other Budget Chiefs served two terms: Commissioner Pio Pedrosa (1940-1942; 1946-1948) and Secretary Emilia T. Boncodin (1998; 2001-2005).
7. The National Budget reached the 10-digit mark for the first time in 1960, with total appropriations amounting to PhP1.09 billion.
8. In 1987, the Office of Budget and Management was converted into the Department of Budget and Management (DBM).

### 2 Things You Don't Want to Know...

1. Based on hearsay, the current location of the DBM Central Office was once a "hospital," "morgue" and "torture place" way back in the Spanish regime. This is said to be the reason why ghosts are said to be lurking at the DBM Central Office.
2. The DBM is said to be a "place for the singles." Currently, more than half of the DBM employees are single, based on civil status. Many say that if you enter the DBM as "single", there is a bigger chance that you'll remain "single" for life.



## Anniversary Trivia



# WONDER WOMEN

By: Crispin Mahrion B. Abacan

Three women, whose divergent paths took them to the Department of Budget and Management (DBM), have closed this chapter of their lives. But not without having woven stories through these years in the Department. Stories whose recounting and sharing will be their legacies to those who have worked with them and who may get to work in their beloved agency or particular office in the future. Stories that tell of how and what it takes to be human in a place where people may easily forget, as they are consumed by overwhelming workloads and the pressure to deliver year-round.

As these three turn their pages to begin the next adventure in their individual tales, we join them in seeing this moment of transition as a celebration of performance and dedication to public service. The stories of these "Wonder Women" will strengthen the bond we know they would like to keep, not only with the DBM but with the men and women who had been part of their life here.



**Woman of Modesty**  
Luz M. Cantor

On the 4th year, however, her class was required to enroll in a summer course that was not covered by her scholarship. There was no way she or her family could finance the course requirements for that term, especially since her father, the family breadwinner, had fallen ill around this time.

For Usec Cantor then, the only solution was to take a temporary detour from her education track, leaving college to work and to make way for an older brother to continue his studies. She transferred to another school and continued to work to finance her studies. Back on track, she graduated and passed the Accountancy board exam, and joined the DBM.

And the rest, as they say, is "her story" – the story of a successful woman who has not forgotten her roots and has continued, despite professional achievement and success, to live a modest life.

After nearly four decades of service in the DBM, Undersecretary Luz M. Cantor, a year shy of the mandatory retirement age, has opted to now log in more time with family than with work.

"Trabaho ako nang trabaho, pero nakakalimutan ko na ang pamilya ko," she candidly shared, her voice starting to crack.

Her room on the second floor of the Boncodin Hall, however, showed hardly any sign of her leaving then. Boxes and files were still stacked within her work space, and up to her last day of service, Usec Cantor was still immersed in paperwork and other official duties.

She tried to remain composed, but broke down as her thoughts turned to her "office family".

"Kapag naiisip ko ang retirement ko, ang mami-miss ko talaga ay 'yong mga tao. Kasi I don't treat them as colleagues, but as family members. Grabe ang serbisyo nila sa akin. They remind me when it's time to eat and to go home. Kasi, sa dami ng trabaho, hindi mo na napapansin 'yong oras," she added in between tears and laughter.

It seems obvious that the feeling is mutual, as the people she has worked with have only good words to say about Usec Cantor. A common observation is that she has remained grounded even as she rose up the ranks.

"Kasi ako, walang masamang tinapay sa akin. Kahit na Secretary ka, electrician, o driver, pare-pareho lang 'yon. You have to respect everyone. Higit sa lahat, huwag kang gagawa ng bagay na pamamarisan nila o ikakahiya nila. You should lead by example," she explained.

Unbeknownst to many, Usec Cantor had her fair share of life's struggles. "Mahirap lang kami," she said, describing life as a young girl in Pangasinan. She finished elementary and high school at the top of her class, and obtained a scholarship for college, where she pursued a double degree in Accountancy and Management.

"Nagtataka sila sa neighborhood ko na ang isang Usec ay ganooon lang ang bahay," she said, laughing. "In fact, hindi nga ako nagpapakilala na Usec."

"It is what I can afford. I am just happy na nakautang ako ng isang unit noon. Ni hindi ko na nga na-improve 'yan, since noong nabili ko kasi, nagpapaaral ako ng mga anak ko," she added.

These days, one can find Usec Cantor spending work week hours no longer at her office desk, but at home. Finally with time for the pursuits of a wife and mother – which she has not fully had for nearly 40 years – she has still had to set these aside for the moment, she laughed, as she focuses on unloading stuff she accumulated from decades of service in the DBM. "Ang gulo-gulo na ng bahay ko," she said – but happily.



**Woman of Service**  
Mercedes P. Navarro

"I'm not entering politics."

This has been the constant rejoinder of Director Mercy Navarro of the Corporate Planning and Management Service to those curious to know the reason for her decision to avail of optional retirement. The simple truth: help put up a water district in her community in Bataan.

"I'm ready to retire. I believe a part of our lives entails giving back to the community," she said.

With her retirement from the DBM, Director Navarro closes the chapter in her life that has seen her through a career in her "dream agency".

"I had applied at the DBM, Commission on Audit, and Bangko Sentral ng Pilipinas," she recalled. "Pero kahit na na-interview na ako ng ibang agencies – in fact, nakapag-start ng work na – the moment na tinawagan ako ng DBM, nag-resign ako."

But then again, completely cutting off ties with the "dream agency" may not be part of the retirement plan, considering her future plans.

"Naiisipan ko nga ring magtayo ng cooperative among DBM alumni, kasi alam mo, pag umalis ka ng DBM, di ka naman totally umalis eh, ang puso mo nasa DBM pa rin," she added.

Navarro is known among her colleagues and co-workers to be candid and outspoken, a characteristic that brings people to the edge of their seats.

"One time nagpi-present ako sa isang meeting sa isang Presidente. Meron siyang sina-suggest about something na I know hindi pwede. So sabi ko, 'Sir, may I say something?'" She burst into laughter as she recounted the reaction of her colleagues then. For her, there is nothing wrong about speaking out as long as you respect people.

Asked what she would remember the most of her stint at the Department, Navarro shared a story that still brings a smile to her face.

"There's a high-ranking official na mahilig umirap, lalo kapag meron akong sinabi na hindi niya nagustuhan. Kaya nagulat ako na ni-recommend niya ako for one project."

Behind the strict and outspoken persona is a service-oriented woman. And this is proven by her will to bid farewell to her dream job, and to respond to a new call of service, this time to her beloved local community.

The rest, as they say, is "her story" – the story of a successful woman who has not forgotten her roots and has continued, despite professional achievement and success, to live a modest life



**Woman of Integrity**  
Jesusa Dimpna A. Lejos

For Assistant Director Jesusa Dimpna "Ning-Ning" Lejos of the Local Government and Regional Coordination Bureau, the greatest challenge as a government employee is to maintain and preserve integrity. She knows this from actual experience, having been detailed to a controversial agency.

She knew very well she would be unpopular in that Bureau. But looking at the task as a way of giving back to the government and to the people, she accepted the challenge.

"I had encountered so many bribe attempts there. Hindi ko alam kung magkano ang pera na binibigay sa akin kasi I did not bother to open it," she said.

Ironically, while Ning-Ning describes herself as very honest, frank, and strict, she is happy to say that she has always championed the rights of the rank and file.

"I don't like na inaapi sila kasi I started naman sa level din nila," she explained.

Interestingly, Ning-Ning left DBM for the most unexpected reason – to get married. It was something she didn't foresee, at this point in her life. "I met my fiancé in 2011, while we were on a vacation in Philadelphia on the 4th of July," she said.

She and her American fiancé are set to tie the knot on June 30, 2018 in Houston, Texas.

They say love comes from the most unexpected places and times. And just when she thought she was settled in her life and fate, love moved mysteriously and caught her by surprise.

For now, she looks forward to the moment where she will walk down the aisle towards her soon-to-be husband. And most importantly, she can now finally fulfill one of her mother's wishes for her – to guarantee her a perfect partner for a lifetime.



First Quarter 2018

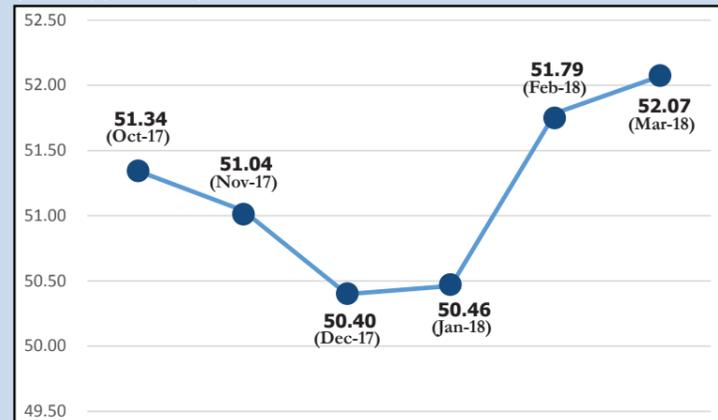
# MACRO SPOTLIGHTS

The Philippine economy grew by 6.8% in the first quarter of 2018 on account of accelerated government spending in infrastructure and social services, and healthy household consumption. It outpaced the 6.5% growth enjoyed in the fourth quarter of 2017 but was tempered by rising inflation, which posted at 3.8% in the first quarter.

While growth averaged a little below the government's full-year target of 7%-8%, the Philippines remains one of the fastest-growing economies in Asia, topped only by Vietnam's 7.4% first quarter growth. The growth prospects remain on the upside, and are expected to work well on their way within the government's target for the year.

## ■ Peso-Dollar Exchange Rate

(In Philippine Peso)



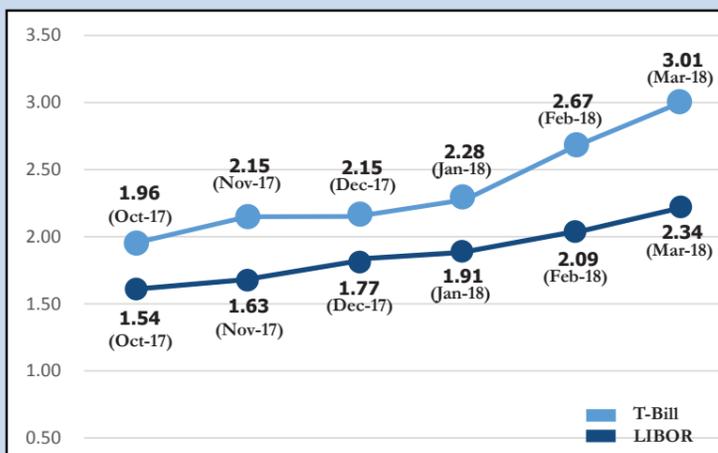
The Peso depreciated against the US dollar by 51 centavos during the first quarter of 2018 at PhP51.44, or 1% weaker compared to the fourth quarter average. Year-on-year, the Peso depreciated by about PhP1.45 or 2.9% weaker than the average for the same period a year ago.

The first quarter was met by a steady depreciation of the Peso against the Dollar, reversing the currency's appreciation in the last months of 2017. During the onset of this period, the Bangko Sentral ng Pilipinas (BSP) remained steadfast in keeping policy rates despite the Peso's weakness, reassuring that the exchange rate policy provided for adequate safety nets for market shocks. When the Peso continued depreciating against the Dollar in February, eventually reaching an 11-year low

at PhP52.35/USD, the BSP sought to temper the growing weakness by selling its Dollar reserves. However, amid wide speculations of a rate increase, the BSP still held its position to keep the rates unchanged. While analysts believe this non-action is unwarranted, the BSP stressed that they do not see any untoward development that compels them otherwise, further noting that the market fundamentals continued to support the current monetary policy.

On May 10, 2018, the BSP raised its benchmark interest rate as a means to curb a rising inflation and a weakening Peso. They explained that this should not be taken as a signal of an overheating economy. However, they did note that their decision was due to the likelihood of inflation pressures becoming more broad-based over the policy horizon.

## ■ Six-month London Interbank Offered Rate (LIBOR) and 91-day Treasury Bill



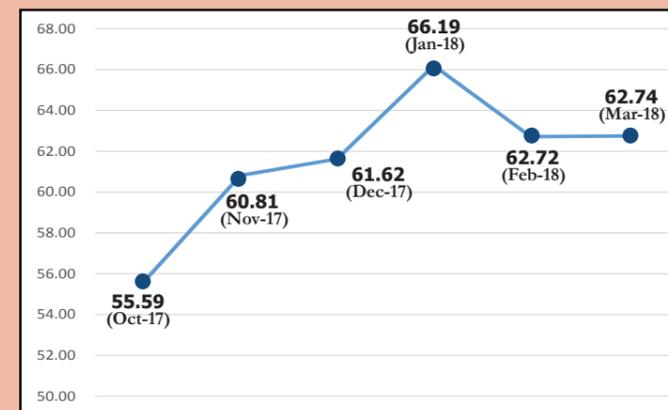
The benchmark rate posted at 2.11% for the first quarter, an increase of 47 basis points (BPS) or 28.66% higher than the previous quarter average of 1.64%. The LIBOR has continued its steady march upward, supported mainly by growing expectations of rate hikes by the US Federal Reserve.

The LIBOR is the rate charged to many short-term loans by world leading banks, a benchmark from which other loan rates are derived. It has been steeped in much intrigue due to recent public scandals over the tweaking of said rate, and speculations regarding its discontinuance had become profuse in the finance sector.

Meanwhile, at 2.65%, the local 91-day T-bill rate slightly outpaced the LIBOR by 60 BPS or 29.27% higher than the previous quarterly average of 2.05%. The rate increase

was linked mainly to concerns surrounding domestic inflation—which was then at 4.3%—and as with the LIBOR, expectations of policy tightening by the US Federal Reserve.

## ■ Dubai Crude Oil

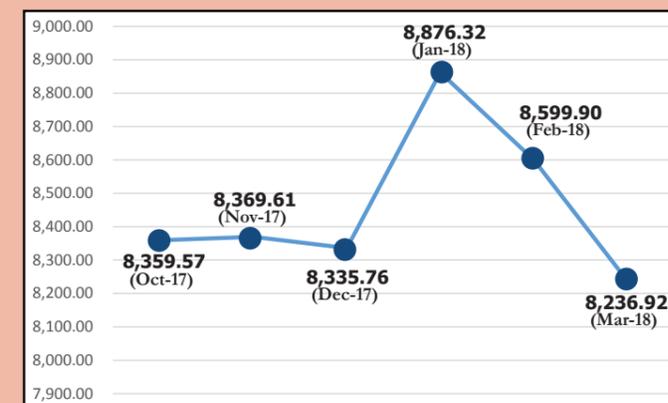


Dubai Crude Oil price averaged USD63.88 per barrel for the first quarter of 2018, increasing by about USD4.47 per barrel or 7.52% from last quarter's 59.41 USD/bbl.

The movement of Dubai crude oil prices has been largely influenced by the Organization of Petroleum Exporting Countries (OPEC) agreement to cut production so as to stimulate prices and address the perceived oil glut in the industry. This has allowed it to significantly recover from the oil crash during the first months of 2016. The first quarter performance has been met with slight volatilities mainly on account of the continuing supply cut agreements by OPEC and non-OPEC members, and the increasing crude oil inventories of the United States.

Local prices of petroleum products have likewise steadily increased over the past few quarters, reflecting international price movements.

## ■ Philippine Stock Exchange Index (PSEi)



The Philippine Stock Exchange Index averaged 8354.98 points during the first quarter of 2018, shrinking by 216.07 points or 2.52% from the previous quarter average of 8571.05 points. The first quarter marked an all-time high for the local stock index, reaching 9058.62 points on the 29th of January, but effectively reversed its gains from the fourth quarter of 2017 as it retreated below the 8000-mark at 7909.07 points on the 21st of March. However, year-on-year growth remained fairly positive at 15.11%, though prospects do not bode well for the local stock index.

Despite its record-breaking performance in January, for most of the first quarter, the index has been stoked by investor expectations of a weakening Peso and an overheating economy, which has led to some capital flight as foreign

investors turn to more profitable alternatives abroad; an impending trade-war between China and the United States; policy interest rate hikes by the US Federal Reserve; and the then unchanged policy rates of the BSP. (Kevin Cleofas, FPRB)

Sources (for verification purposes only):

- Department of Energy
- Manila Bulletin
- Philippine Daily Inquirer
- Nikkei Asian Review
- Wall Street Journal
- Reuters
- Rappler

# Reforms in the Regions

A "HI-SPEED" DBM-CAR

**G**uided by President Rodrigo Duterte's directive to government agencies to streamline their processes to ensure faster and better delivery of services to the Filipino people, Neil Lord V. Guitang, Accountant III of the DBM's Cordillera Administrative Region (CAR), initiated the Project "HI-SPEEED DBM-CAR" (Harmonizing and Implementing Standard Operating Procedures for Effective, Efficient and Economical Operations of the DBM-CAR). The Project, launched in September 2016, is Guitang's Re-Entry Project (ReP), under the Public Management Development Program (PMDP) of the Development Academy of the Philippines.

The Project aims to achieve a high level of efficiency, effectiveness and economy in service delivery by streamlining the operations in the DBM-CAR Office's operation through harmonization and standardization of its current operating procedures.



## "Speed Bumps"

Before the Project could take off, however, it experienced a number of bumps along the road.

"Implementing the Project was not that easy," Guitang, who also serves as the Project's Team Leader, said.

"Given our different schedules, it was very difficult to convene all members of the Project Team (PT) to discuss the initiative, since most of the time, they have to attend to their regular workloads and business meetings. Convincing the end users to actively participate in the Project was also a challenge, as there were some hesitations and doubts on its effectiveness. This was a welcomed hurdle, however, as everyone kept an open mind and signified their willingness to cooperate and provide inputs as may be needed," Guitang shared.

## Addressing the Bumps, Overcoming the Obstacles

Committed to pursue the Project, Guitang had to find innovative ways to meet the PT members, without necessarily convening them in plenary.

"When we were drafting the Standard Operating Procedures (SOPs) Manual, it was really difficult to convene the PT members since it was a "peak season" for the DBM. To resolve this concern, I consulted them individually during their free time, instead of convening them in plenary. This way, we were able to put flesh on the Manual. At times, when all of us have to really meet, our Regional Director had to call for a meeting to convene the PT members. I am blessed that our Regional Director was very supportive of the Project," Guitang said.

"I am also privileged to have Assistant Secretary Amelita Castillo as my Faculty Adviser in my ReP. She provided valuable feedback and recommendations, from conceptualization to the crafting of the SOP Manual and the Checklists of Documentary Requirements, to make the HI-SPEEED Project a success," he added.

## Reaping the Fruits of their Labor

Through the Project, the DBM-CAR was able to review its systems and processes; identify deficiencies and areas of improvement on services by consulting its clients, officials and employees; and determine activities (e.g., operating procedures) and applications (e.g., documents required from clients) that could be removed, reduced, or improved.

As a result, it was able to develop SOPs and Checklists of Documentary Requirements (CDRs) for its service delivery. The implementation of the SOPs significantly reduced processing time and rationalized documents required from clients. For instance, in FY 2015, the average time spent by the DBM-CAR in processing requests for the release of funds to cover Terminal Leave Benefits of employees of clientele agencies was five days on the average. However, through the streamlined operating procedures, funds for the same budgetary request can be released in only three days.

Likewise, the time frame for the review of the annual and supplemental budgets of local government units (LGUs) has been reduced from 90 days to 75 days, on the average. The Local Government Code of 1991 requires the DBM to review the annual and supplemental budgets of certain local government units (LGUs) within 90 days.

Furthermore, through the use of the Checklists of Documentary Requirements (CDRs), the processing of budgetary requests is facilitated and budgetary requests with incomplete supporting documents are avoided.

In the process, the DBM-CAR was able to document and consolidate the SOPs and produce its very first Standard Operating Procedures (SOP) Manual. The Manual provides specific steps that guide employees in performing their functions, duties and responsibilities, ensures that operating procedures are performed in a consistent and reliable way, thus resulting in efficient, effective and economical service quality. It also provides employees with relevant legal bases, references, as well as general and specific guidelines to ensure compliance with regulatory and legal requirements.

The Manual also contains flowcharts that clearly present processes and procedures for each service, as well as usable pro-forma documents that facilitate processing of transactions.

Overall, the use of the SOPs contained in the Manual resulted in improved performance and productivity of the employees and of the Office, and faster and better service delivery for its clientele.

## Accelerating the Speed

To take the Project a step further, the DBM CAR intends to continually update the Manual and the Checklists by covering other transactions not presently included. Among these would be the processing of requests for staffing modification; purchase of motor vehicles; technical and administrative queries of agencies; and internal transactions such as accounting, budgeting, human resource, and procurement; as well as emerging/new transactions which may arise.

"We also plan to share this initiative with other DBM Regional Offices in view of the implementation of the Customer Help Desk System and the ISO (i.e., standardization of systems and procedures). We are looking forward to the full-speed implementation of this 'HI-SPEEED' initiative," Regional Director Liza Fangsilat stressed.

*(Joy S. Almazan and Neil Lord V. Guitang)* ■



# PFM CORNER

## DBM SHARES PFM REFORMS IN PEMNA PLENARY CONFAB



ASec. Amelita D. Castillo (upper left) welcomes the B-CoP participants, while Dir. Carmencita P. Mahinay of BMB-C (upper right) and ADir. Yolanda R. Reyes (lower left) and Mr. John Carlo P. Dumas of the FPRB, present developments in Philippine reforms.

*The PEMNA is a peer-driven learning network of PFM officials and experts in the Asia and the Pacific Region.*

Four officials and staff of the Department of Budget and Management (DBM) participated in the Plenary Conference of the Public Expenditure Management Network in Asia (PEMNA) with the theme, "Strengthening Revenue and Budget Management to Support National Policy Priorities". It was held on May 2-4, 2018 in Siem Reap, Cambodia.

Assistant Secretary Amelita D. Castillo of the Budget Policy and Strategy Group and the PEMNA's Chairperson of the Budget Community of Practice (B-CoP) led the three other DBM attendees: Budget and Management Bureau - C (BMB-C) Director Carmencita P. Mahinay, and OIC-Assistant Director Yolanda R. Reyes and Mr. John Carlo P. Dumas from the Fiscal Planning and Reforms Bureau (FPRB).

The DBM presented in the B-CoP meeting with the theme, "Strengthening Budget-Policy Linkage to Improve Public Sector Performance," where PEMNA member-countries shared their best practices on their respective PFM reform initiatives.

For the Philippines, Assistant Director Reyes emphasized the nexus of national strategic plans to annual budget programs. She discussed how the Ambisyon Natin 2040, a collective long-term vision of the Filipino people, is cascaded through the Philippine Development Plan 2017-2022 and the 0+10-Point Socioeconomic Agenda of the Duterte Administration, and further through the Budget Priorities Framework which serves as a guide for agencies in formulating their Tier 2 proposals, or those for the expansion of existing or new programs and projects.

Director Mahinay, on the other hand, discussed Program Convergence Budgeting as one of the strategies being employed by the DBM to address overlapping functions/conflicting goals of agencies in the implementation of programs requiring integration of efforts. As an example, she cited the Philippine Tourism Program led by the Department of Tourism (DoT). Briefly, she presented how implementing agencies led by the DoT and participated in by the Departments of Public Works and Highways, Transportation, Justice, Health, Trade and Industry, Education, Environment and Natural Resources, Foreign Affairs, and The Interior and Local Government, local government units, and the private sector, converge to ensure that the necessary infrastructure facilities, safety and security, training, culture of tourism, standards and promotion, are provided. She likewise noted that the process facilitates the formulation of a consolidated budget, as well as project implementation and accountability.

Finally, Mr. Dumas introduced the country's framework for strategic budgeting done through the Development Budget Coordination Committee (DBCC) mechanism. He discussed how the DBCC formulates fiscal policy, sets priorities taking into consideration the development objectives, and the stronger link between top-down and bottom-up budgeting through the Budget Call, Budget Priorities Framework and Fiscal Risks Statement. He also tackled the Two-Tier Budgeting Approach as a process in evaluating agency budget proposals for expansion of existing or new programs/projects. The Three-Year Rolling Infrastructure Program was also highlighted as a mechanism to ensure that the Public Investment Program is supported. *(Contributed by Asst. Secretary Amelita D. Castillo and Asst. Director Yolanda R. Reyes)*



# Compensation Compendium



## ISSUE

Whether or not work performed by officials concerned under the following circumstances shall be construed as actual work performance for purposes of RATA:

Weekends or beyond work schedule

Overtime work

While on official travel

## DBM Response

Local Budget Circular (LBC) No. 103 dated May 15, 2013 provides the rules and regulations for the rationalized grant of RATA to officials of different LGUs.

Under Sections 7.1 and 7.5 of said LBC, the payment of RATA shall be based on the number of days of actual performance on prescribed workdays by the official concerned or pro-rated based on actual work/attendance of the official vis-à-vis the prescribed work schedule or performance standards.

In addition, Item 7.2 of LBC No. 103, s. 2013 provides that the following circumstances should be construed as actual work performance:

- Public holiday falling on a workday;
- Compensatory time-off (CTO) in accordance with Civil Service Commission (CSC)-DBM Joint Circular No. 2, s. 2004, as amended;
- Time-off from work charged against the five (5) days forced or mandatory leave in accordance with CSC Memorandum Circular (MC) No. 40, s. 1998, as amended by CSC MC No. 20, s. 2017;
- Special emergency leave for employees affected by natural calamities/disasters covered by a specific directive/resolution from the Office of the President or the CSC; and
- Suspension of work declared by competent authority.

### Work performed on a weekend or beyond work schedule

For purposes of determining the allowable rate of RATA, the work performed by an official/employee outside of regular workdays cannot be used to fill in/stand in for the required number of workdays of actual work performance in a month.

Thus, if an official/employee observes the typical Monday to Friday workweek, the work rendered on a scheduled rest day, i.e., Saturday or Sunday, shall not be considered as actual work performance for purposes of RATA.

Further, if an official/employee works on a public holiday falling on a workday, the same cannot be counted as an additional

workday of actual work performance for purposes of RATA since a public holiday falling on a workday is already construed as actual work performance under Section 7.2.1 of LBC No. 103.

### Overtime work

As clarified beforehand, services rendered beyond the prescribed working period cannot be used to compensate for the required fraction of actual work performance in a month for purposes of RATA.

While the services rendered during rest days or beyond the regular working hours are compensated either monetarily or non-monetarily, the same cannot be counted as actual work performance for purposes of determining the allowable RATA.

Section 7.2.2 of LBC No. 103, s. 2013 states that the CTO shall be construed as actual work performance. In this regard, overtime work and CTO are two distinct items, albeit interrelated.

Overtime work refers to services or work performed in addition to one's normal working hours.

On the other hand, CTO refers to the number of hours or days an employee is excused from reporting for work with full pay and benefits. As an alternative to overtime pay, the CTO is a non-monetary remuneration of services rendered beyond the prescribed working period.

### Work while on official travel

If the period of official travel is within the regular or prescribed working period, the same is considered as actual work performance for purposes of RATA.

However, if the period of official travel falls on a scheduled rest day or holiday, the same cannot be considered as actual work performance for purposes of RATA *(Contributed by the Organization, Position Classification, and Compensation Bureau)*

- 1 Amended Rules and Regulations on the Grant of Representation and Transportation Allowances
- 2 In general, there are 22 workdays in a month, exclusive of Saturdays and Sundays.
- 3 Non-Monetary Remuneration for Overtime Services Rendered
- 4 Revised Omnibus Rules on Appointment and Other Personnel Actions
- 5 Revised Omnibus Rules on Appointment and Other Human Resource Actions



# LS NOOK

## Is there any difference between a law and a joint resolution?

By: Atty. Rosemarie D. Pagala, Legal Service

Section 26(2), Article VI of the 1987 Constitution provides that a bill must pass three (3) readings on separate days. Furthermore, Section 27(1) of the same Article requires that before a bill passed by Congress becomes a law, it shall need the approval of the President.

On the other hand, a joint resolution, like a bill, has the force and effect of a law, if approved, as the same requires the approval of both Houses of Congress and the signature of the President. This is based on the rules of both Houses issued by the House of Representatives<sup>1</sup> and Senate<sup>2</sup> pursuant to its authority to promulgate rules and procedures in accordance with Section 16(3)<sup>3</sup>, Article VI of the 1987 Constitution.

It bears stressing that when a bill becomes a law, it shall have no retroactive effect, unless the contrary is provided<sup>4</sup>. Thus, all laws shall have prospective application unless there is an express provision providing for its retroactivity. In the case of *Primitivo Espiritu v. Ricardo Cipriano*,<sup>5</sup> statutes are not to be construed

as intended to have retroactive effect as to affect pending proceedings unless such intent is expressly declared or clearly and necessarily implied from the words of the statute.

Moreover, laws shall only have retroactive effect in the following instances: (i) if it provides for retroactivity, but in no case may an ex post facto law<sup>6</sup> be passed;<sup>7</sup> (ii) it is clearly expressed in the language of the statute;<sup>8</sup> (iii) it is remedial in nature;<sup>9</sup> (iv) if the statute is penal in nature, provided that it is favorable to the accused and the latter is not a habitual delinquent as defined in the Revised Penal Code;<sup>10</sup> (v) if the law is of an emergency nature and is authorized by the police power of the government;<sup>11</sup> (vi) if the law is curative;<sup>12</sup> and (vii) if a substantive right is to be declared for the first time, unless vested rights are impaired.<sup>13</sup>

Accordingly, since a joint resolution is similar to a law, then the retroactive effect of laws can similarly be applied to joint resolutions.

- 1 Rule X of the Rules of the House of Representatives
- 2 Rule XXI of the Senate Rules
- 3 Both the House of Representatives and the Senate may determine the rules of their respective proceedings.
- 4 Article 4 of Republic Act No. 386
- 5 55 SCRA 533 (1974)
- 6 Law passed which criminalizes an act done before passing of the law and which was innocent when done.
- 7 *Spouses Gauvain and Bernardita Benzonan v. Court of Appeals, Benito Salvani Pe and Development Bank of the Philippines*, 205 SCRA 515 (1992)
- 8 *Orlando L. Salvador, for and in behalf of the Presidential Ad Hoc Fact-Finding Committee on Behest Loans v. Placido L. Mapa, Jr., Rafael A. Sison, Rolando M. Zosa, Cesar C. Zalamea, Benjamin Barot, Casimiro Tanedo, J.V. De Ocampo, Alicia L. Reyes, Bienvenido R. Tantoco, Jr., Bienvenido R. Tantoco, Sr., Francis B. Banes, Ernesto M. Caringal, Romeo V. Jacinto, and Manuel D. Tanglao*, 539 SCRA 34 (2007)
- 9 *Fermin Manapat v. Court of Appeals and National Housing Authority*, 536 SCRA 32 (2007)
- 10 Article 22, Revised Penal Code
- 11 *Heirs of Eduardo Simon v. Elvin Chan and the Court Of Appeals*, 644 SCRA 13 (2011).
- 12 *Luciano Valencia and Francisca Ocampo v. Hon. Jose T. Surtida, Judge of the Court of First Instance of Camarines Sur, and Rufina Subastil*, 2 SCRA 622 (1961)
- 13 *Juan G. Frivaldo v. Commission on Elections, and Raul R. Lee*, 257 SCRA 727 (1996)

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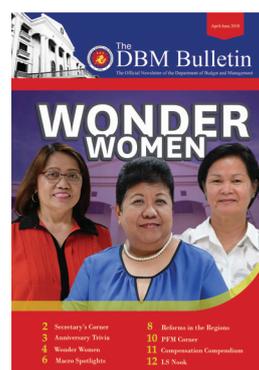
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### About the Cover



This issue features some of the DBM's pillars, namely: Undersecretary Luz Cantor, Director Mercedes Navarro, and Assistant Director Jesusa Dimpna Lejos, who have bowed out of their service in the DBM, leaving their stories of modesty, integrity, and commitment to service.