



REPUBLIC OF THE PHILIPPINES  
Department of Budget and Management  
Malacañang, Manila



**CIRCULAR LETTER**

No. 2008 – 2

February 29, 2008

**TO :** Heads of Departments/Agencies/State Universities and Colleges and Other Offices of the National Government; Budget Officers; Heads of Accounting Units; and All Others Concerned

**SUBJECT :** Release of Funds for March 2008

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- 1.0 This Circular covers the following:
- 1.1 All agencies in the national government including SUCs; and,
  - 1.2 The Bureau of the Treasury for the amounts of assistance to government owned/or controlled corporations (GOCCs) and local government units (LGUs), respectively.
- 2.0 Pending the approval of the FY 2008 General Appropriations Act, all agencies are authorized to obligate the amount corresponding to their actual requirements for the month of **March 2008** but not to exceed the following percentages, defined as follows:
- 2.1 Chargeable Against Regular Budget
    - 2.1.1 Personal Services (PS) - one twelfth (1/12) of the PS level (inclusive of the requirements for Productivity Incentive Benefits and Clothing and Uniform Allowance but exclusive of Year-End Benefits) using **actual requirements as of December 31, 2007** (i.e., number of filled positions and salary rates) but not to exceed the level provided under the FY 2008 National Expenditure Program (NEP). The PS level shall, however, be net of agency specific lump-sums e.g. for creation of new positions, reclassification of positions, etc.
    - 2.1.2 Maintenance and Other Operating Expenditures (MOOE), as well as, Capital Outlays (CO) - one twelfth (1/12) of regular programs and **on-going** foreign-assisted/locally-funded projects under the FY 2007 Budget (R.A. No. 9401), **or** FY 2008 NEP whichever is lower, provided that, these on-going programs/projects are also included in the FY 2008 NEP.

2.2 Chargeable Against the Miscellaneous Personnel Benefits Fund

2.2.1 10% salary adjustment of civilian personnel computed at the level of the **salaries** component under item 2.1.1 of this Circular, inclusive of the required government premiums in PHILHEALTH and ECIP.

2.2.2 Adjustments in Subsistence Allowance and Hazard Pay (authorized under E.O. 611) of military and uniformed personnel in DND-AFP; DILG (PNP, BFP and BJMP); DOTC (PCG); and DENR (NAMRIA) based on actual requirements as of December 31, 2007.

2.3 Chargeable Against Automatic Appropriations

2.3.1 Retirement and Life Insurance Premiums (RLIP) - equivalent to 12% (or the applicable rate otherwise provided under special laws) of the **salaries** component under item 2.1.1 of this Circular and the corresponding RLIP requirements of the 10% salary adjustment for civilian personnel of NGAs under item 2.2.1 of this Circular.

2.3.2 Special Accounts in the General Fund (SAGF) - limited to the uncommitted cash balance with the Bureau of the Treasury under the SAGF of the respective agencies. The PS, MOOE and CO allocation should be consistent with the percentages specified under items 2.1.1 and 2.1.2 of this Circular.

2.3.3 Internal Revenue Allotment (IRA) of provinces, cities/municipalities and barangays - corresponding to the March 2008 requirements based on the FY 2008 NEP.

3.0 Obligations incurred under item 2.0 of this Circular Letter shall be recorded in the appropriate Registry of Appropriations and Allotments, as **overdraft in allotment**. This shall be adjusted once the allotment for the purpose is released. The rules and regulations pertinent to recording of these budgetary accounts are prescribed under COA Circular 2003-001.

4.0 This obligational authority for March 2008 **does not** cover the following items which shall be issued **SARO/NCA**:

4.1 Centrally-managed items (CMIs) in the regular budget of specific Departments chargeable against FY 2008 Budget (R.A. 9401, as reenacted). Actual requirements shall be based on the FY 2007 Budget (R.A. 9401, as reenacted) or FY 2008 NEP, whichever is lower. The SARO to be issued for March 2008 shall be made directly to the various operating units of Departments based on the request/details to be submitted by the concerned Departments/agencies.

- 4.2 Terminal leave benefits of compulsory and optional retirees and retirement gratuity of those not covered by GSIS retirement laws i.e., military/uniformed personnel and judges/justices of Courts (among others). Actual requirements for retirement gratuity and terminal leave benefits shall be issued SARO chargeable against the **Pension and Gratuity Fund** (PGF), R.A. 9401, as reenacted, subject to the submission of a Special Budget Request and supported by the documents required under Circular Letter No.99-4.
- 4.3 Pension benefits of AFP retirees, war/military veterans of the Department of National Defense and uniformed personnel of the Department of Interior and Local Government, National Mapping and Resource Information Authority and the Philippine Coast Guard. The release for the purpose chargeable against the **PGF**, R.A. 9401, as reenacted, shall be based on the number of pensioners and rates as of December 31, 2007.
- 5.0 For compliance.



 **ROLANDO G. ANDAYA, JR.**  
Secretary