



REPUBLIC OF THE PHILIPPINES

Department of Budget and Management
Malacañang, Manila



CIRCULAR LETTER

No. 2008-6

April 14, 2008

- TO :** HEADS OF DEPARTMENTS AND AGENCIES OF THE EXECUTIVE BRANCH, INCLUDING GOVERNMENT-OWNED AND/OR CONTROLLED CORPORATIONS (GOCCs), GOVERNMENT FINANCIAL INSTITUTIONS (GFIs), AND ALL OTHERS CONCERNED
- SUBJECT :** SUPPLEMENTAL GUIDELINES ON THE TRANSFER OF FUNDS TO PAY THE COMPENSATION OF AFFECTED PERSONNEL FROM GOCCs/GFIs WHO OPTED TO BE PLACED TO NATIONAL GOVERNMENT AGENCIES (NGAs) PURSUANT TO THE GOVERNMENT'S RATIONALIZATION PROGRAM

1.0 Purpose

This Circular Letter is being issued to provide guidelines on the transfer of funds to pay the compensation of affected personnel of GOCCs/GFIs who opted to be placed to NGAs pursuant to the Rationalization Program of the Executive Branch authorized under Executive Order No. 366 in addition to what were provided under Circular Letter No. 2007-10 dated September 12, 2007.

2.0 Policies and Guidelines

2.1 Funding of Personal Services (PS) requirements of affected personnel not yet placed and issued transfer orders by the Civil Service Commission (CSC)

- 2.1.1 Within two (2) months after approval of the GOCC/GFI Rationalization Plan (RP), the CSC shall place or deploy to priority agencies as identified by the CSC and the DBM affected employees who opted to remain in government service. If the employee is not placed and issued transfer order within the two-month period, he/she shall be transferred to the CSC, together with the corresponding PS requirements funded out of corporate funds.
- 2.1.2 If the corporation does not have sufficient funds, it may request funding support from the NG (through DBM). After determination that said corporation does not have sufficient funds to pay for the PS requirements of the affected personnel, the DBM shall release funds to the corporation from the Miscellaneous Personnel Benefits Fund (MPBF). The corporation shall, in turn, see to it that the personnel transferred to the CSC pool are paid their salaries and other authorized allowances.

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2.2 Transfer of the PS requirements of affected personnel who have been placed and issued transfer orders to NGAs

2.2.1 Once placed/issued transfer orders, the DBM shall, upon receipt of said transfer orders, issue the Notice of Organization, Staffing and Compensation Action (NOSCA) documenting the transfer of the positions of the affected personnel to the recipient agency. Funds for the purpose shall likewise be released from the MPBF, if the corporation does not have sufficient funds, and made available to the recipient agency until such time that the funding requirements thereof shall have been incorporated in the annual General Appropriations Act (GAA).

2.2.2 The commencement of the payment of the compensation of placed personnel by the recipient agency shall follow the schedule indicated under Section 2.4 of Circular Letter No. 2007-10.

2.2.3 Thereafter, the recipient agency shall assume payment of the salaries and other emoluments of the transferred personnel.

3.0 Responsibility Clause

It shall be the responsibility of the Department Secretaries and equivalent Agency Heads of both the corporation and recipient agency/ies to strictly implement the provisions of this Circular Letter to ensure that no gap in the receipt of compensation is experienced by the affected personnel.

4.0 Applicability Clause

The provisions of this Circular Letter shall be applicable until revoked.

5.0 Effectivity

This Circular Letter shall take effect immediately.


ROLANDO G. ANDAYA, JR.
Secretary