



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
Boncodin Hall, General Solano Street, San Miguel, Manila



BUDGET CIRCULAR

No. 2012-1
February 23, 2012

TO : Heads of Departments, Bureaus, Offices, and Agencies of the National Government, Including State Universities and Colleges (SUCs), and Government-Owned or -Controlled Corporations (GOCCs); Chief Executives of Local Government Units (LGUs); and All Others Concerned

SUBJECT : Rules and Regulations on the Grant of Uniform/Clothing Allowance (U/CA) to Civilian Government Personnel

1.0 Background

Section 40 of the General Provisions of Republic Act (R.A.) No. 10155, the Fiscal Year (FY) 2012 General Appropriations Act (GAA), provides that appropriations for each department, bureau, office, or agency may be used for uniform or clothing allowance of employees at not more than P5,000 per annum, subject to the rules and regulations issued by the DBM.

2.0 Purpose

This Circular is issued to prescribe updated rules and regulations on the grant of the U/CA to civilian personnel.

3.0 Coverage

This Circular covers civilian government personnel occupying regular, contractual, or casual positions; appointive or elective; rendering services on full-time or part-time basis.

4.0 Exclusions

The following are excluded from the coverage of this Circular:

- 4.1 Military personnel of the Armed Forces of the Philippines, Department of National Defense; uniformed personnel of the Philippine National Police, Bureau of Fire Protection, and Bureau of Jail Management and Penology under the Department of the Interior and Local Government; and uniformed personnel of the Philippine Coast Guard and the National Mapping and Resource Information Authority;

- 4.2 Foreign service personnel of the Department of Foreign Affairs and of other departments/agencies who are stationed abroad;
- 4.3 *Barangay* officials and employees paid monthly honoraria; and
- 4.4 Those hired without employee-employer relationships and funded from non-Personal Services appropriations/budgets, as follows:
 - 4.4.1 Consultants and experts hired for a limited period to perform specific activities or services with expected outputs;
 - 4.4.2 Laborers hired through job contracts (pakyaw) and those paid on piecework bases;
 - 4.4.3 Student laborers and apprentices; and
 - 4.4.4 Those whose services are engaged through job orders, contracts of services, and others similarly situated.

5.0 Rationale of the Grant of U/CA

The U/CA is granted to defray expenses for uniforms or distinctive clothing which are the required appropriate attire for employees in the regular performance of their work. In general, such uniforms or clothing are intended for the following purposes:

- 5.1 To identify the employees with their mother agencies and to convey emblem of authority;
- 5.2 To serve as protective or working clothing; especially for maintenance, workshop, and farm personnel; and
- 5.3 To defray expenses for their maintenance.

6.0 Rates of the U/CA

- 6.1 For FY 2012, the U/CA per annum for full-time service shall not exceed P5,000. For each subsequent year, the U/CA shall not exceed the amount authorized in the pertinent general provision in the annual GAA.
- 6.2 The U/CA per annum for part-time service shall be in direct proportion to the U/CA for full-time service. For example, the U/CA for part-time service in FY 2012 shall be computed as follows:

$$\text{U/CA (Part-Time Service in FY 2012)} = (\text{P5,000}) \frac{(\text{x hours of part-time service/day})}{8 \text{ hours of full-time service}}$$
- 6.3 If funds in GOCC or LGU budgets are not sufficient to implement fully the U/CA authorized for the fiscal year, the U/CA may be granted partially but at uniform rates for all qualified personnel.

7.0 Forms and Other Details of the U/CA

7.1 The U/CA may be granted in the following forms:

7.1.1 In the form of uniforms procured through a bidding process; may include uniform articles normally worn as part thereof such as, regulation caps, belts, etc., for incumbents of positions such as, Special Police, Security Guard, etc.;

7.1.2 In the form of textile materials and cash to cover sewing/tailoring costs, as has been adopted by very large departments; and

7.1.3 In cash form, for incumbents of executive positions who may not be required to wear the prescribed uniforms or for those who will procure their individual uniforms according to set conditions.

7.2 As far as practicable, such uniform/clothing shall use Philippine tropical fibers pursuant to R.A. No. 9242.

7.3 Shoes shall be on the personal accounts of officials/employees, unless provided for by law.

8.0 Government Service Requirement

8.1 Generally, the full rates of the U/CA for full-time and part-time service shall be granted to those who are already in government service and are to render services for at least six (6) months in a particular fiscal year, including leaves of absence with pay.

8.2 The six (6)-month service requirement shall not cover those who are required to wear uniforms at all times in the performance of their work such as incumbents of positions of Security Guard, Special Police, medical and allied medical staff in hospitals, and those in similar situations, as they have to wear their uniforms at all times.

9.0 Grant of U/CA Due to Various Personnel Actions/Engagements

9.1 Newly Hired Employee

A newly hired employee may qualify to the grant of U/CA only after rendering six (6) months of service, and if expected to render services for at least 6 months for the rest of the year.

9.2 An Employee on Detail

The U/CA of an employee on detail to another government agency shall be borne by the mother agency.

9.3 Transferred Employee

- 9.3.1 An employee who transferred to another agency and was not granted U/CA by the former agency shall be granted U/CA by the new agency, subject to the submission of a certification to that effect.
 - 9.3.2 An employee who transferred to another agency within a year but was earlier granted U/CA by the previous agency shall no longer be granted U/CA by the new agency.
 - 9.3.3 An employee who transferred to another agency and is required to wear uniforms at all times like the incumbents of positions cited under item 8.2 of this Circular, may be granted U/CA by the new agency even if he/she was granted U/CA by the former agency, subject to the approval of the new agency head.
- 9.4 Employees on Study Leave or Study/Training/Scholarship Grant
- 9.4.1 An employee on study leave or on study/training/scholarship grant locally or abroad shall be entitled to the U/CA for the year if he/she renders at least six (6) months of service in the same year, including leaves of absence with pay, prior to and/or after the study leave or study/training/scholarship grant.
 - 9.4.2 If an employee is on study/training/scholarship grant for the whole year, locally or abroad, and is not required to report for work, he/she is not entitled to the U/CA.

10.0 Fund Sources of the U/CA

- 10.1 For National Government Agencies (NGAs), including SUCs:
 - 10.1.1 The amount of P4,000 per employee shall be charged against the comprehensive allotment under Personal Services released per Agency Budget Matrix for CY 2012.
 - 10.1.2 The additional requirement of P1,000 per employee shall be charged against the Miscellaneous Personnel Benefits Fund (MPBF). Consistent with item 4.4.2 of National Budget Circular No. 535 (Guidelines on the Release of Funds for CY 2012), said release from MPBF shall be subject to the submission of Budget Accountability Reports as of March 31, 2012.
 - 10.1.3 The cash allocation for the U/CA shall be sourced by NGAs from their Common Fund under the regular MDS Sub-Account. In case of insufficiency, the NGAs concerned shall submit a request to DBM for the issuance of additional cash allocation for the purpose.
 - 10.1.4 The U/CA of casual and contractual employees shall be charged against the respective agency lump sum appropriation for casual, contractual and emergency personnel.

10.2 For GOCCs, the amount required shall be charged against their respective corporate funds.

10.3 For LGUs, the amount required shall be charged against their respective local government funds.

11.0 Personal Services Limitation in LGUs

The grant of U/CA in LGUs shall be subject to the Personal Services limitation in LGU budgets pursuant to Sections 325(a) and 331(b) of R.A. No. 7160, "Local Government Code of 1991."

12.0 Responsibilities of Agency Heads

Agency Heads shall be held responsible for the proper implementation of the provisions of this Circular.

12.1 They shall issue internal agency guidelines on the grant of the U/CA such as, determination of the form of U/CA, mode of procurement, and selection of uniform/clothing designs.

12.2 They shall also issue internal guidelines on: the prescribed uniform or clothing for specific or special employee groups; modified uniforms as may be necessary due to religious affiliations or creed, physical disabilities, or legitimate health reasons; and monitoring compliance with set guidelines on wearing uniforms and appropriate attire.

12.3 They shall be held liable for any grant of U/CA not in accordance with the provisions of this Circular without prejudice, however, to the refund of any undue payments made to the employees concerned.

13.0 Saving Clause

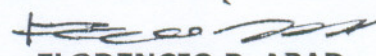
Cases not covered by the provisions of this Circular shall be referred to the Department of Budget and Management for resolution.

14.0 Repealing Clause

This Circular repeals Budget Circular Nos. 2003-8 dated December 8, 2003, and 2003-8A dated July 2, 2004.

15.0 Effectivity

This Circular shall take effect immediately.


FLORENCIO B. ABAD
Secretary