



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
BONCODIN HALL, GEN. SOLANO ST., SAN MIGUEL, MANILA

NATIONAL BUDGET CIRCULAR

No. 571
December 4, 2017

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

Subject : **GUIDELINES ON THE PROVISION OF FREE QUARTERS TO CERTAIN OFFICIALS**

1.0 Purpose

This Circular is issued to prescribe the guidelines on the provision of free quarters to certain officials, consistent with Section 56 of the General Provisions of the FY 2017 General Appropriations Act (GAA), and pertinent provisions of subsequent GAAs.

2.0 Definition of Free Quarters

As used in this Circular, free quarters shall mean the free use of government-owned or leased place of lodging (fully furnished) which may include telephone, water and electricity for basic needs.

3.0 Coverage

This Circular shall apply to the following officials and those of equivalent rank who are assigned or transferred to a place other than that of their domicile and do not own houses or rooms therein, by virtue of agency policies of reshuffling or rotation:

	Category
• Department Regional Directors	A
• Department Assistant Regional Directors	A
• Bureau Regional Directors	B
• Bureau Assistant Regional Directors	B

4.0 Exemptions

The following are not covered by this Circular:

- 4.1 Those who are covered by RA 7305 (Magna Carta of Public Health Workers);
- 4.2 Uniformed personnel of the Department of the Interior and Local Government, Department of Justice, Department of National Defense, Philippine Coast Guard, and the National Mapping and Resource Information Authority;

- 4.3 Those who are expressly provided free quarters under existing laws, rules and regulations; and
- 4.4 Those who are stationed abroad.

5.0 Guidelines

- 5.1 Heads of national government agencies, government-owned or –controlled corporations and financial institutions may provide free quarters within their office premises to officials covered under this Circular who are reassigned or transferred to a place other than that of their domicile and do not own houses or rooms therein, subject to the guidelines prescribed in this Circular, without the need for approval by the Department of Budget and Management.
- 5.2 Where there is not enough space in government premises to be used as quarters, the agency concerned may rent houses or rooms which shall serve as quarters at reasonable rates based on the prevailing cost of rental in the area or locality, but not to exceed the following rates:

Area/Locality	Category	
	A	B
National Capital Region	P 5,500	P 5,000
Other Highly Urbanized Cities	4,500	4,000
Other Areas	4,000	3,500

The rental contract shall be entered into by and between the agency concerned and the owner of the dwelling unit. The rental payment shall be paid to the latter and not commuted in favor of the officials concerned.

- 5.3 The above rates shall be inclusive of the amount for telephone, water, and electricity bills.
- 5.4 Those who desire a more expensive/extensive quarters other than what are provided by the agency or rented in the amount prescribed herein, may secure such preferred quarters, provided that the difference between the actual rental cost and the amount authorized herein shall be paid by the official concerned.

6.0 Funding Source

The funding source for the amount necessary for the implementation of the provisions of this Circular shall be as follows:

- 6.1 For national government agencies, the amount shall be charged against the released allotment for Maintenance and Other Operating Expenses.
- 6.2 For government -owned or –controlled corporations and financial institutions, the amount shall be charged against their respective corporate operating budgets.

7.0 Responsibility Clause

It shall be the responsibility of the Department Secretaries and Agency Heads to strictly implement the provisions of this Circular.

8.0 **Resolution of Cases**

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

9.0 **Repealing Clause**

All other circulars and issuances or parts thereof that are inconsistent with this Circular are hereby repealed or modified accordingly.

10.0 **Effectivity**

This Circular shall take effect immediately.

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BENJAMIN E. DIOKNO

Secretary

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