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Office of the President

18 May 2010

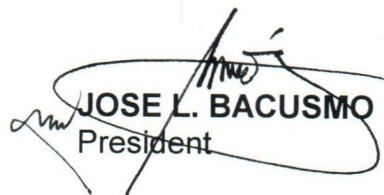
MEMORANDUM NO. 153
Series of 2010

**T O: Dr. Lolito C. Bestil
Ms. Roberta C. Lemos
Prof. Manolo B. Loreto, Jr.
Prof. Jacob Glenn F. Jansalin
Ms. Velma P. Bontuyan**

**R E: Ad Hoc Committee to Prepare a Proposal to Create a Provident
Fund for VSU Employees**

With Dr. Lolito C. Bestil as Chairperson and Ms. Velma P. Bontuyan as Secretary, please constitute yourselves into a committee to study the possibility of creating a provident fund for VSU employees and to prepare the necessary proposal relative thereto. Attached is a copy of Budget Circular No. 2008-3 dated June 20, 2008.

Please be guided accordingly.


JOSE L. BACUSMO
President

VISAYAS STATE UNIVERSITY

Visca, Baybay City, Leyte

Office of the President

T O: Dr. M.K. Palomar

Dr. L. Cano

FOR: Mrs. N. Cala
Mrs. R. Lemos

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|---|---|
| ☐ Study | ☐ Comment/Recommendation |
| ☐ Appropriate Action | ☐ Notation and Return |
| ☐ Information | ☐ Dissemination |

Remarks:

Please study if there is a need for VSU to establish a provident fund. Pls. take note that an employer contribution may be provided.

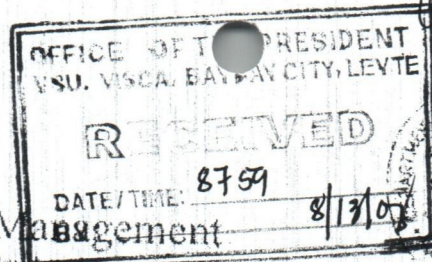
Thanks

~~JOSE L. BACUSMO~~
President



REPUBLIC OF THE PHILIPPINES

Department of Budget and Management
Building 1, General Solano Street, San Miguel, Manila



Copy for: President's Office

BUDGET CIRCULAR

No. 218-1
Date 21, 2008
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TO : Heads of National Government Agencies including State Universities and Colleges (SUCs), Government-Owned or Controlled Corporations (GOCCs) and Local Government Units (LGUs); and All Others Concerned

SUBJECT : Rules, Regulations and Procedure on the Establishment and Administration of Provident Funds in the Philippine Government

1.0 Purpose

This Circular is issued to provide the rules, regulations and procedural guidelines on the establishment and administration of Provident Funds in the Philippine Government authorized under Executive Order (EO) No. 641 issued by Her Excellency, President Gloria Macapagal-Arroyo on July 25, 2007. The institutionalization of agency Provident Funds is one of the measures advocated by the Committee on the Protection of Income of Government Employees created under EO No. 462 dated September 19, 2005.

2.0 Definition

For purposes of this Circular, a Provident Fund is defined as a savings scheme consisting of contributions from both the employees and the employer (in monetary form from member-employees; in monetary and/or non-monetary form/s from employers) which serves as a loan facility and provider of supplementary welfare benefits to its members.

3.0 Coverage

Included in the coverage of this Circular are Provident Funds created in national government agencies (NGAs) including GOCCs and in LGUs pursuant to EO No. 641.

4.0 Exclusion

Excluded from the coverage of this Circular are the following:

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NOTED:

JOSE L. BACUSMO
PRESIDENT

- 4.1 All Provident Funds for loaning operations and for other purposes beneficial to all members which are funded out of service fees collected by government agencies, and which establishment are authorized pursuant to the pertinent general provision in the annual General Appropriations Act, subject to the rules and regulations prescribed under Administrative Order No. 279 dated May 5, 1992; and
- 4.2 All Provident Funds created under existing laws or approved by the President prior to the effectivity of EO No. 641.

5.0 Rules and Regulations

The following rules and regulations shall govern the establishment and administration of Provident Funds in the Philippine Government. Such rules and regulations shall serve as guide in the formulation of an agency's Provident Fund By-Laws.

5.1 Membership

- 5.1.1 All incumbents of positions, whether permanent, casual or contractual in nature, who signify in writing their intentions to join the Provident Funds of their mother agencies covered by this Circular, are eligible members thereof, subject to the length of service requirements as may be determined by the Board of Trustees.
- 5.1.2 Membership in the Provident Fund shall be voluntary.
- 5.1.3 An employee shall become a member of the agency Provident Fund only after his/her application for membership has been approved by the Board of Trustees. Said application shall declare a member's immediate family members and/or beneficiaries which may be amended as requested by a member.
- 5.1.4 Membership therein may continue until cessation of service in an agency such as when a member retires, or is separated from the service, or upon demise, or upon transfer to another government agency.
- 5.1.5 Membership in the Provident Fund may be withdrawn, subject to the rules and regulations promulgated by the Board of Trustees.
- 5.1.6 Those who have withdrawn their memberships in the Provident Fund may reapply therein, subject to conditions imposed by the Board of Trustees.
- 5.1.7 Commission on Audit personnel assigned to an agency, and other government personnel under similar circumstances, are not eligible members of Provident Funds of agencies to which they are assigned or on detail, in order to preserve the independence and integrity of their

respective mother agencies, in line with Section 18 of RA No. 6758, "Compensation and Position Classification Act of 1989."

5.2 Rights, Duties and Responsibilities of Members

5.2.1 A member of the Provident Fund shall have the following rights:

5.2.1.1 To vote and be voted upon;

5.2.1.2 To propose amendments to the by-laws which shall be adopted with the concurrence of the majority of the members of the Provident Fund;

5.2.1.3 To initiate recall of any member of the Provident Fund or a member of the Board of Trustees based upon valid grounds; no recall shall be made without the concurrence of 2/3 votes of all the members of the Provident Fund;

5.2.1.4 To initiate disciplinary action against any member or officer of the Provident Fund based upon valid grounds; no such action shall be imposed without the concurrence of the majority of all the members of the Provident Fund; and

5.2.1.5 To inspect and to look into the books of accounts of the Provident Fund.

5.2.2 A member of the Provident Fund shall have the following duties and responsibilities:

5.2.2.1 To observe strict compliance of the by-laws, rules and regulations of the Provident Fund, otherwise, any member found guilty of violations thereof shall be subjected to disciplinary action;

5.2.2.2 To support and cooperate in all activities and undertakings of the Provident Fund; and

5.2.2.3 To attend and participate in the general assembly and all meetings of the Provident Fund when required.

5.3 Fund Sources

The following shall be the sources of the agency Provident Fund:

5.3.1 Employee Contributions

5.3.1.1 The principal fund source for the agency Provident Fund shall be the members' regular monetary contributions at rates to be determined by the Board of Trustees

5.3.1.2 Membership in the Provident Fund shall constitute the authority to deduct from the payroll the member's contribution.

5.3.2 Employer Contributions

5.3.2.1 The mutual employer/agency counterpart contribution shall be in the form of support for reasonable operating requirements in the administration and operation of the Provident Fund such as the following:

- part-time assignment of existing personnel; and
- use of necessary agency facilities and equipment.

5.3.2.2 As manifestation of support for the promotion of the welfare of its employees, government monetary contributions sourced from savings may be authorized in the future when the government's financial position may allow, subject to the guidelines that will be issued by the Department of Budget and Management (DBM). For GOCCs, the government monetary contribution shall be subject further to an evaluation by the DBM of the financial position of each GOCC.

5.3.3 Other Fund Sources

The following other fund sources may be tapped, subject to the approval of the Board of Trustees:

- earnings of the Provident Fund to include interests on loans, dividends and other increments or returns from investments such as income-generating ventures;
- membership fees;
- gifts;
- donations in cash or in kind;
- proceeds from fund-raising activities;
- amounts arising from withdrawal of membership; and
- such other fund sources as the Board of Trustees may hereafter identify as legal, valid and authorized fund sources, such as the various funding facilities now available in government financial institutions.

5.4 Suspension of Employee Contributions

5.4.1 Employee contributions shall be suspended under the following instances:

- when a member is on leave of absence without pay;

- when a member is under preventive suspension during the pendency of an administrative case filed against him/her; or
- when a member is penalized with suspension from the service as a result of an administrative case filed against him/her.

5.4.2 A member may resume his/her contribution to the Provident Fund upon resumption of his/her duties and responsibilities in the agency, subject to the rules and regulations approved by the Board of Trustees.

5.5 Benefits

5.5.1 The Provident Fund may be utilized to extend loans or credits to its qualified members for income-generating projects or livelihood activities as may be approved by the Board of Trustees.

5.5.2 Dividends arising from the operations of the Provident Fund shall be determined and approved by its Board of Trustees based on realized earnings from operations and investments of the Provident Fund for each year, after deducting a percentage from said earnings for a General Reserve Fund. Such dividends shall be credited to Provident Fund members, subject to Provident Fund rules and regulations.

5.5.3 When a member retires from government service, his/her contributions shall be refunded, including his/her employer's share, if any, as well as the corresponding proportionate earnings accruing to the Provident Fund, less any claim that an agency and its Provident Fund may have against him/her.

5.5.4 In case of separation of a member for cause, he/she shall be entitled only to his/her personal contributions and the earnings thereon, after deduction of any claim that the Provident Fund and the agency may have against him/her.

5.5.5 In the event of a member's separation from the service, due to total and permanent disability, he/she shall be entitled to refund of all of his/her personal contributions and his/her employer's share plus earnings thereon, less any claim that the Provident Fund and the agency may have against him/her.

5.5.6 In case of death of a member, his/her duly designated beneficiaries or a duly appointed executor or administrator of the estate of a deceased shall be paid all of a deceased's personal contributions and employer's share, plus earnings thereon, less any claim that the Provident Fund and the agency may have against him/her.

5.5.7 All Provident Fund benefits including but not limited to the employee and employer shares and share on the General Reserve Fund whichever remained unclaimed or uncollected for a period prescribed

by the Board of Trustees from the date they become due to a succeeding member shall be considered as waived or abandoned in favor of the Provident Fund.

5.5.8 Depending on the viability of the Provident Fund, the Board of Trustees may approve such other benefits for Provident Fund members, subject to the approval of the majority of the members.

5.5.9 Consistent with the principles of fair remuneration and equity, all officers and employees of the agency should have guaranteed access to the Provident Fund and should have the same rights and privileges under said Fund. There should be no special rules to benefit executives or a select group of employees.

5.6 Fund Administration

5.6.1 Composition of the Board of Trustees

5.6.1.1 The Provident Fund should be managed prudently by the Board of Trustees which shall be a mix of management and rank and file employees. The number of board members shall depend on the Provident Fund magnitude and said mix shall depend on the employer and employee stakes.

5.6.1.2 In view thereof, the total membership in the Board of Trustees shall be in odd number with a minimum of five (5) to a maximum of fifteen (15) membership.

- one (1) assistant head of agency as Chairperson of the Board of Trustees designated by the agency head;
- one (1) agency official (preferably the head of the finance unit) as Vice-Chairperson of the Board of Trustees designated by the agency head; and
- the remainder as elected Members of the Board of Trustees representing proportionately the employees belonging to the first, second and third levels who comprise the Provident Fund membership.

5.6.2 Functions of the Board of Trustees

5.6.2.1 Promulgate, implement and enforce the by-laws, rules and regulations governing the use, operation, and investment of the Provident Fund;

5.6.2.2 Identify and secure other legal, valid and authorized sources of funds to provide better credit facility and welfare benefits for the members;

5.6.2.3 Institute advocacy measures to encourage employees to contribute as much as they can to the Provident Fund within limits set by the Board of Trustees, as well as to preserve their Provident Fund accounts and not withdraw their shares;

5.6.2.4 Determine the type, use, requirements and amounts of loans to be granted, and prescribe the applicable repayment schedules and interest rates;

5.6.2.5 Determine the benefits due to members of the Provident Fund and define their limits to ensure Fund viability and maximum security for the employees in case of retirement, separation, death and disability;

5.6.2.6 Approve the eligibility requirements for applicants for membership, claimants and grantees of the Provident Fund;

5.6.2.7 Approve membership, loans to employees after considering the poverty threshold limit, benefits, and expenditures from the Provident Fund;

5.6.2.8 Create standing committees for the Provident Fund, select the members thereof from among the regular personnel of the agency, and prescribe their duties and responsibilities, and compensation;

5.6.2.9 Determine sanctions/liabilities of the officers managing the Provident Fund and of violators of its by-laws, rules and regulations; and

5.6.2.10 Perform such other functions as may be necessary to carry out the objectives and purposes of EO No. 641.

5.6.3 Duties and Responsibilities of the Chairperson

- Presides over all meetings of the Board of Trustees;
- Exercises general supervision over officers and support staff of the Provident Fund as deemed necessary in order to ensure that the by-laws, rules and regulations of the Provident Fund are followed;
- Countersigns all checks in behalf of the Provident Fund; and
- Performs such other duties and responsibilities as the Board of Trustees may assign.

5.6.4 Duties and Responsibilities of the Vice-Chairperson

- Acts as Chairperson in the latter's absence or temporary incapacity;

- Countersigns all checks in behalf of the Provident Fund in the absence of the Chairperson, and
- Performs such other duties and responsibilities as the Board of Trustees may assign.

5.6.5 Term of Office

The Chairperson, Vice-Chairperson and Members of the Board of Trustees shall hold office for a maximum term of two (2) years as may be prescribed in the by-laws of the Provident Fund and until such time that their successors shall have been appointed and qualified, provided that no such member may be designated/elected for more than three (3) consecutive terms as may be prescribed in the by-laws of the Provident Fund.

5.6.6 Meetings and Quorum

5.6.6.1 The Board of Trustees shall hold regular meetings at such frequency, dates and places as may be determined by the Board. Special meetings may be called as the need arises.

5.6.6.2 A majority vote of all members of the Board present shall be required in order to pass a resolution, provided that a quorum exists.

5.6.6.3 All meetings of the Board shall be presided over by the Chairperson or in his/her absence, by the Vice-Chairperson.

5.6.6.4 The general membership shall hold an annual meeting, and may hold regular and special meetings as may be determined by the Board.

5.6.6.5 In every meeting of the Board or the general membership, the presence of majority of members shall constitute a quorum.

5.6.7 Officers and Support Staff

5.6.7.1 Part-Time Assignment as Officers of the Provident Fund

In order to ensure the management of the Provident Fund on a day-to-day basis, the monitoring of its transactions and the preparation of the required documents and reports, the Provident Fund shall have a Chief Executive Officer, Secretary, Treasurer, Legal Counsel and Auditor as its officers designated by the agency head. Their terms of office and duties and responsibilities shall be as prescribed in the by-laws of the Provident Fund which shall include but shall not be limited to the following:

5.6.7.1.1 The Chief Executive Officer exercises overall supervision over Provident Fund operations; monitors Fund transactions; ensures compliance with the Fund's by-laws, rules and regulations; and submits to the Board of Trustees the required reports.

5.6.7.1.2 The Vice-Chairperson of the Board of Trustees shall be the Chief Executive Officer of the Provident Fund.

5.6.7.1.3 The Secretary shall provide secretariat services to the Board of Trustees and shall be the repository of all the records of the Provident Fund.

He/She may be elected from among the members of the Board of Trustees or designated from the general membership.

5.6.7.1.4 The Treasurer shall be the custodian of all the monies and properties of the Provident Fund; keeps a complete and accurate record of all receipts and disbursements of the Fund; collects dues, assessments, charges from the members of the Fund; signs all checks in behalf of the Fund; submits annual financial report to the Board of Trustees.

The Treasurer must be bonded in such amount to be fixed by the Board of Trustees.

He/She may be elected from among the members of the Board of Trustees or designated from the general membership.

5.6.7.1.5 The Legal Counsel shall handle all cases and shall supervise the legal affairs of the Provident Fund.

He/She may be designated from among the staff of the agency's legal unit who is from the general membership.

5.6.7.1.6 The Auditor shall audit all receipts and expenditures of the Provident Fund and shall prepare the necessary reports for submission to the Board of Trustees and to the general membership.

He/She shall be from the general membership and shall not be from among the members of the Board of Trustees.

5.6.7.2 Part-Time Assignment as Support Staff

5.6.7.2.1 To ensure the provision of support services to the Provident Fund such as assisting in the formulation and review of guidelines, rules and regulations, conducting studies and monitoring the functions and activities of the Provident Fund, support staff may be assigned on part-time basis in standing committees to be created by the Board of Trustees such as, but not limited to the following:

- Membership and Development Committee;
- Loan Evaluation Committee;
- Financial Management and Investments Committee; and
- Election Committee.

5.6.7.2.2 The Board of Trustees shall select such chairpersons and members of standing committees from the general membership, and shall specify the committee functions. Designations in the committees shall be approved by the agency head.

5.6.7.2.3 Each committee shall prepare its manual of operations, subject to approval of the Board of Trustees.

5.6.7.2.4 The terms of office of committee members shall be as prescribed in the by-laws of the Provident Fund.

5.6.8 Compensation and Expenses

5.6.8.1 The Chairperson, Vice-Chairperson and Members of the Board of Trustees and Officers of the Provident Fund shall serve without compensation.

5.6.8.2 In the initial operation of the Provident Fund, overtime services rendered by support staff who are members of committees may be compensated by Compensatory Time-Off, subject to the guidelines adopted by the Board of Trustees and the pertinent guidelines prescribed under Civil Service Commission and DBM Joint Circular No. 2, s. 2004.

"Non-Monetary Remuneration for Overtime Services Rendered."

5.6.8.3 Subsequently, if the Provident Fund's financial position would allow, its earnings may be tapped to compensate such overtime services rendered by support staff with overtime pay, subject to the pertinent guidelines to be adopted by the Board of Trustees. Such overtime pay rates shall not exceed those under Budget Circular No. 10 dated March 29, 1996.

5.6.8.4 Reasonable expenses incurred by the Chairperson, Vice Chairperson and Members of the Board of Trustees in connection with Board activities may be reimbursed upon presentation of receipts and other documentary evidences in support of claims.

5.6.8.5 The Board of Trustees shall approve the allocation of funds for compensation of services rendered and other operational expenses of the Provident Fund such as purchase of supplies and reimbursable expenses of the Board of Trustees.

5.6.8.6 Such overtime pay, reimbursable reasonable expenses and other operating expenses may be charged against earnings of the Provident Fund and any surplus thereof shall accrue to the principal at the end of a fiscal year.

5.6.8.7 Any claim for reimbursement of actual and necessary expenses incurred in connection with activities of the Board of Trustees shall be evaluated and processed in accordance with existing accounting and auditing rules and regulations.

5.6.9 Loans and Their Security

5.6.9.1 The allocation of funds for loaning purposes, the setting of interest rates on loans and surcharges for unpaid monthly amortizations, as well as the adoption of an operations manual on availing of loans from the Provident Fund shall be subject to approval by the Board of Trustees.

5.6.9.2 The grant of loans to members of the Provident Fund shall follow an order of priority, based on a first-come-first-serve basis, and priority to those with lower salaries.

5.6.9.3 Loan amortizations shall be through salary deduction or payment scheme from the income-generating project or livelihood activities.

5.6.9.4 To further secure the payment of a loan, a member-borrower shall assign to and authorize the Provident Fund to set off.

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collect or withhold an amount corresponding to the outstanding obligation/s, inclusive of interest due, from any pecuniary benefits in the form of bonuses, allowances, gratuity pay, vacation leave credits and other benefits from the agency and from the Provident Fund.

5.6.10 Collection of Loan Payments

The collection of loan payments by the agency's payroll unit shall be through salary deduction.

5.6.11 Deposit of Funds

Provident Funds shall be deposited in duly authorized government depository banks.

5.6.12 Investments

5.6.12.1 The portion of the Provident Fund which remains unutilized may be invested, subject to approval of the Board of Trustees.

5.6.12.2 Such investments may be in the form of interest-earning deposits, high grade securities, treasury bills, and other non-speculative investments, provided that the earnings derived from investments shall be distributed to Provident Fund members.

5.6.12.3 Major investments such as real estate purchase, etc., as may be determined by the Board of Trustees shall be subject to ratification of the majority of the members of the Provident Fund.

5.6.13 Earnings of the Provident Fund

5.6.13.1 Earnings of the Provident Fund shall include all interests, dividends, and income from investments, deposits and other assets of the Provident Fund.

5.6.13.2 At the beginning of each fiscal year, the earnings realized from the operations of the Provident Fund in the previous fiscal year ending December 31 shall be credited to the members in proportion to their equity as of the preceding year just ended after deducting the amount to be set aside for the General Reserve Fund.

5.6.14 General Reserve Fund

5.6.14.1 The General Reserve Fund shall be established out of a maximum of 5% or a minimum of 3% of the annual earnings of the Provident Fund as approved by the Board of Trustees, to cover the following:

- to grant employee benefits chargeable against the General Reserve Fund (e.g., death benefits);
- to serve as allowance for unsuccessful collection of outstanding loan balance of a member in case of death or permanent disability after exhausting all possible means of collection; and
- such other purposes as approved by the Board of Trustees/general membership.

5.6.14.2 The Board of Trustees may increase or decrease the percentage of earnings of the Provident Fund to be allocated to the General Reserve Fund depending on the latter's purposes.

5.6.15 Penalties

5.6.15.1 The Board of Trustees shall ensure that the members of the Provident Fund shall have strong legal protections with government enforcement capabilities against the loss of Provident Fund assets. The Board of Trustees, therefore, shall set the penalties for delinquent payment of contributions and/or accounts, violations against the Provident Fund's by-laws, rules and regulations, fraud, theft or fiduciary mismanagement.

5.6.15.2 Such penalties shall be meted without prejudice to the filing of an administrative case against a member due to violations of Civil Service laws, rules and regulations.

5.6.16 Limitations on Payment

The Provident Fund shall have first lien on all amounts standing to the credit of any member to cover any debt or accountability which a member may have with the Provident Fund. In like manner, an agency shall have second lien on a member's savings in the Provident Fund.

5.7 Accounting and Auditing Requirements

5.7.1 The Board of Trustees shall keep accurate and detailed account of all investments, receipts, disbursements and other transactions of the Provident Fund.

5.7.2 The Provident Fund and its operations shall be subject to existing accounting and auditing laws, rules and regulations.

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- mandating the establishment of the Provident Fund,
- creating the Interim Board of Trustees and designating the Chairperson, Vice-Chairperson and Members;
- directing agency officials and employees to signify in writing their intentions to join the Provident Fund; and
- other details such as employer contributions as authorized in this Circular and in other circulars that may be issued by the DBM, administrative requirements, etc.

6.1.1 An agency head issues an office order

6.1 Hereunder are the guides in the establishment of the Provident Fund.

6.0 Procedural Guidelines

5.10.2 Any amendment, revision, or repeal of provisions in the Provident Fund by-laws shall be subject to the ratification of the majority of the members of the Provident Fund during a general assembly or a referendum.

5.10.1 Amendments to, revisions or repeal of any provision of the Provident Fund by-laws may be proposed by any member of the Board of Trustees or any member of the Provident Fund, provided that the vested rights of the members shall not be prejudiced or adversely affected by such amendment, revision, or repeal.

5.10 Amendment, Revision, or Repeal of Provident Fund By-Laws

5.9.3 Upon dissolution, the Board of Trustees shall continue as a body for a period of six (6) months to attend to matters relative to the winding up of the Provident Fund's affairs.

5.9.2 In the event of such termination, the balances to the credit of the members, including the employer's contributions, as well as earnings, shall be paid to each member. Any remaining balance shall revert to the National Treasury.

5.9.1 The Provident Fund may be terminated for just cause by a 2/3 vote of the general membership.

5.9 Termination of the Provident Fund

5.8 At the end of each fiscal year, the Board of Trustees shall submit to management and shall make available to the general membership an annual report showing the income and expenditures and financial condition of the Provident Fund as of December 31 of each year. Copies of the report shall be furnished the DBM.

5.8 Reportorial Requirements

5.7.3 The Provident Fund shall be audited by the Commission on Audit.

- 6.1.2 The Interim Board of Trustees meets to lay the ground rules and procedure for the election of the Members of the Board of Trustees.
- 6.1.3 The election of new Members of the Board of Trustees is held.
- 6.1.4 The new Board of Trustees drafts the by-laws for ratification by the majority of the members of the Provident Fund in a general assembly and for approval by the agency head.
- 6.1.5 The Board of Trustees elects/selects the officers of the Provident Fund; creates standing committees; and selects and recommends the support staff as committee members. Their designations are approved by the agency head.
- 6.1.6 The Board of Trustees and members of committees undergo training on the various aspects of Provident Fund operation arranged/sponsored by the Committee on the Protection of Income of Government Employees.
- 6.1.7 The various committees draft their respective rules, regulations, guidelines and operating procedure, subject to approval of the Board of Trustees and noted by the agency head.
- 6.1.8 An office order is issued by the agency head declaring that the Provident Fund is already operational.

7.0 Responsibility of Agency Heads

Agency heads shall be held personally liable for the establishment and administration of agency Provident Funds not in accordance with the provisions of this Circular.

8.0 Separability Clause

If any part of this Circular is held invalid or unconstitutional, the other parts or provisions not affected shall remain valid and effective.

9.0 Saving Clause

Cases not covered by the provisions of this Circular shall be referred to the DBM for resolution.

10.0 Effectivity

This Circular shall take effect immediately.


ROLANDO G. ANDAYA, JR.
Secretary



Republic of the Philippines
Civil Service Commission

Constitution Hills, Batasang Pambansa Complex, Diliman 1126 Quezon City

100 Years of Service;
 Civil Service at Its Best.

11-13
 Mamamayan Muna

Utilization of FY 2007 Savings under the General Fund

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RESOLUTION NO. 080720

WHEREAS, under Section 5, Article IX of the Constitution, the Civil Service Commission enjoys fiscal autonomy by virtue of which it can exercise full management and control of its financial affairs and flexibility in the utilization of funds;

WHEREAS, Section 2 of the Special Provisions Applicable to all Constitutional Offices Enjoying Fiscal Autonomy under the FY 2007 GAA authorizes the use of savings for payment of fringe benefits for their officials and employees and other official purpose as may be authorized by law:

WHEREAS, for FY 2007, the Commission has generated an aggregate savings under the General Fund sufficient to cover the 2008 CNA and Non-CNA benefits;

WHEREFORE, foregoing premises considered, the Commission hereby RESOLVES, as it hereby RESOLVED, to utilize the generated savings for FY 2007 for the payment of the following:

1) FY 2008 CNA Benefits whole year requirement for all positions in the Central and Regional Offices:

a. Php7,500.00 Amelioration Assistance to be paid in May of this year;	Php	9,750,000.00
b. Php3,500.00 Grocery Allowance to be paid on December 15;		4,550,000.00
c. Php1,000.00 Birthday Cash Gift @Php1,000.00 per Personnel		1,300,000.00
d. Php20,000.00 or Pnp30,000.00 Retirement/ Cash Reward Benefit to each of the Optional/Compulsory Retirees;		100,000.00
e. Php500.00 Rice Subsidy Allowance per month for each personnel		7,800,000.0
Sub-Total -CNA	Php	23,500,000.00

2) Non-CNA Obligations (whole year requirement)

a. Special Representation Allowance	Php	5,200,320.00
b. Monetization of Leave Credits		3,000,000.00
c. Commission's Contribution to Welfare Fund	Php	3,000,000.00

TOTAL - CNA and Non-CNA for 2008

Php34,700,320.00

Certified True Copy:

for: *Justina G. Amper*
 JUSTINA G. AMPER
 Supervising Personnel Specialist
 Commission Secretariat and Liaison Office
 Civil Service Commission

RESOLVED FURTHER, that the aforementioned 2003 Amelioration Assistance (fringe benefits) shall be enjoyed by all officials and employees of the Commission, whether permanent, temporary, coterminous, casual or contractual, provided that they have rendered four (4) months of service as of April 30, 2008.

RESOLVED FURTHERMORE, that herein 2008 Amelioration Assistance shall also be enjoyed by the officials and employees who have entered the Commission within this year, computed to an amount proportionate to actual service rendered by December 31, 2008 at the rate provided hereunder;

Length of Service in 2008	Percentage of Php7,500.00
Four (4) Months	100%
Three (3) Months	75%
Two (2) Months	50%
One (1) Month	25%

For purposes of computing the number of months of service, the official or employee who has rendered less than one (1) month shall be considered to have rendered a whole month's service for purposes of the grant of this Amelioration Assistance.

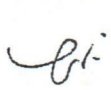
Quezon City, APR 28 2008

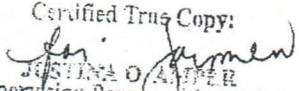
(Vacant)
Chairperson


CESAR D. BUENAFLOR
Acting Chairman


MARY ANN Z. FERNANDEZ-MENDOZA
Commissioner

Attested by:


ROGELIO C. LIMARE
Assistant Commissioner
Commission Secretariat and Liaison Office

Certified True Copy:

JUSTINA O. AYMER
Supervising Personnel Specialist
Commission Secretariat and Liaison Office
Civil Service Commission