



10 June 2021

MEMORANDUM CIRCULAR NO. 2

Series of 2021

T O : ALL VSU FACULTY AND STAFF

R E : Monetization of Leave Credits for CY 2021

Please be informed that Department of Budget and Management has issued Circular Letter No. 2021-4 dated March 3, 2021 with subject "PROCESSING OF REQUESTS FOR THE RELEASE OF FUNDS FOR THE MONETIZATION OF LEAVE CREDITS IN FISCAL YEAR (FY) 2021" prescribing the guidelines in the processing for the release of funds for the monetization of leave credits (MLC) in FY 2021.

The salient provisions of the said Circular Letter are the following:

- 2.3. Due to the limited appropriations for Pension and Gratuity Fund (PGF) under the FY 2021 General Appropriations Act (Republic Act No. 11518), (this Special Purpose Fund being lower than the estimated requirements for the year as proposed under the President's Budget), the funds required for the payment of MLC shall instead be charged against any available released Personnel Services (PS) allotment of an agency.
- 2.4. However, an agency may submit a special budget request to DBM for the release of funds for the monetization of leave credits chargeable against the FY 2021 PGF, for reasons of critical health, medical, and hospital needs of the employee and the immediate members of his/her family. (*underscoring supplied*)
- 2.5 Requests for MLC for reasons other than those in item 2.4 hereof will only be processed on a case to case basis, subject to extraordinary conditions which would justify release of MLC.

Relative to aforecited provisions and in order for VSU to submit a special budget request to DBM for monetization of leave credits chargeable against the FY 2021 PGF, applications for leave credits shall be limited to the reasons indicated in the Circular and be submitted to OVPAF for VSU Main or Office of the Chancellor for component campuses not later than **July 15, 2021**. To support the application, the following documents shall be submitted:

- Filled-up Application for Leave Form (Civil Service Form No. 6, Revised 2020)
- Letter request to the head of the agency stating the valid and justifiable reasons, if application for monetization is fifty percent (50%) or more of the accumulated leave credits

Moreover, Personnel Officers of component campuses are required to submit consolidated data using the List of Personnel Availing Monetization of Leave Credits (LPAMLC) to the Office of the Head of Budget of the Main Campus on or before August 1, 2021.

For your information and guidance.


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