



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS

MASTER COPY

AT

02 October 2019

CUSTOMS MEMORANDUM CIRCULAR
NO. 232-2019

To: The Assistant Commissioner
All Deputy Commissioners
All Directors and Division Chiefs
All District/Port Collectors
And Others Concerned

SUBJECT: COA Circular No. 2018-001

Attached is the Indorsement dated 02 October 2019 of Ms. Marilou A. Cabigon, OIC-FMO and Concurrent Chief Accountant endorsing a copy of COA Circular 2018-001 dated 01 February 2018 entitled:

"Guidelines on the Payment of Prior Years' Unpaid Authorized Personnel Benefits of the Officials and Employees of the National Government".

For your information and guidance.

For record purposes, please confirm the dissemination of this circular throughout your offices within fifteen (15) days from receipt hereof.

REY LEONARDO B. GUERRERO

Commissioner

OCT 09 2019



BOC-03-02132



Republic of the Philippines
COMMISSION ON AUDIT
 Commonwealth Avenue, Quezon City, Philippines

CIRCULAR

No.: 2018-001
 Date: 7/10/2018

TO: All Heads of Departments, Agencies, Bureaus, and Offices of the National Government, including State Universities and Colleges (SUCs); Budget Officers; Heads of Accounting Units; and All Others Concerned

SUBJECT: Guidelines on the Payment of Prior Years' Unpaid Authorized Personnel Benefits of the Officials and Employees of the National Government

1.0 RATIONALE

Salaries and other personnel benefits are the main sources of income of government officials and employees. At present, there are several money claims filed before this Commission involving small amounts relative to prior years' unpaid authorized personnel benefits of government officials and employees.

These prior years' unpaid authorized personnel benefits were not paid due to the following reasons: late submission of the complete supporting documents because the employee-payee was on leave; the removal of employee-payee from the payroll since he/she has no sufficient remaining leave balance; and failure of the budget/accounting office to obligate the allotment in the respective registries for those personnel benefits. Thus, these are treated as unbooked obligations by their respective agencies and offices.

The Department of Budget and Management (DBM) issued National Budget Circular (NBC) No. 557 dated June 3, 2015, which provides, among others, that since Personnel Services (PS) benefits are mandatory in nature, actual services rendered or benefits allowed in prior years shall not be categorized as unbooked obligations. Thus, such are exempt from the existing policy, rules and regulations on unbooked obligations.¹

Currently, before payment is made by the department, agency, bureau or office, these prior years' unpaid authorized personnel benefits of government officials and employees are being filed before this Commission as money claims.

¹ Item 4.2.2.4 of the Department of Budget and Management National Budget Circular No. 557 dated June 3, 2015.

To facilitate payment of these prior years' unpaid authorized personnel benefits, COA, in line with its power under Section 2(2),² Article IX-D of the 1987 Philippine Constitution, hereby adopts the following guidelines to avoid delay in the payment of prior years' unpaid authorized personnel benefits.

2.0 COVERAGE

This Circular covers all departments, agencies, bureaus, and offices of the national government.

3.0 GUIDELINES

3.1 The Authorized Personnel Benefits which refer to compensation of government employees pursuant to law and those authorized by the President of the Philippines, shall be as follows:

3.1.1 Basic Salaries, including Step Increments;

3.1.2 Standard Allowances and Benefits, which shall be limited to the following:

3.1.2.1 Personnel Economic Relief Allowance

3.1.2.2 Uniform or Clothing Allowance

3.1.2.3 Year-End Bonus and Cash Gift

3.1.3 Specific-Purpose Allowances and Benefits, limited to the following:

3.1.3.1 Representation and Transportation Allowances

3.1.3.2 Per Diem

3.1.3.3 Honoraria

3.1.3.4 Night-Shift Differential

² 2. The Commission [on Audit] shall have exclusive authority, subject to the limitations in this Article, to define the scope of its audit and examination, establish the techniques and methods required therefor, and promulgate accounting and auditing rules and regulations, including those for the prevention and disallowance of irregular, unnecessary, excessive, extravagant, or unconscionable expenditures or uses of government funds and properties.

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3.1.3.5 Overtime Pay

3.1.3.6 Subsistence Allowance

3.1.3.7 Hazard Pay

3.1.3.8 Special Counsel Allowance

3.1.3.9 Overseas and Other Allowances for Government Personnel Stationed Abroad

3.1.3.10 Other allowances and benefits as may be authorized by law or the President of the Philippines.

3.1.4 Incentives, which refer to the following:

3.1.4.1 Loyalty Incentive

3.1.4.2 Anniversary Bonus

3.1.4.3 Productivity Enhancement Incentive

3.1.4.4 Productivity Incentive Bonus (until 2015 only)

3.1.4.5 Performance-Based Bonus

3.1.4.6 Other existing benefits as may be categorized by the DBM as incentives.

3.1.5 Benefits authorized under the Magna Carta Law and its Implementing Rules and Regulations.

3.1.6 Personnel benefits for military and uniformed personnel as authorized by law or the President of the Philippines.

3.2 Personnel Services benefits are mandatory in nature. Actual services rendered or benefits allowed in prior years shall not be considered as unbooked obligations. Thus, such are not covered by existing policy, rules and regulations on unbooked obligations.

3.3 As prescribed under existing rules and regulations, at the end of the calendar year, the budget and accounting offices of the departments, agencies, bureaus and offices of the national government should obligate the allotment in the respective Registries for the unpaid salaries and other

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authorized personnel benefits to avoid it from becoming unbooked obligations.

- 3.4 Prior years' unpaid salaries and other authorized personnel benefits which are already approved for payment in the current year may now be paid by the department, agency, bureau and office of the national government concerned even without the claimant filing a money claim before this Commission, subject to existing budgeting, accounting and auditing rules and regulations.
- 3.5 To facilitate the payment of unpaid prior years' authorized personnel benefits, the government official/employee must file before his/her department, agency, bureau or office the request for payment, together with the necessary supporting documents, within 15 calendar days following the CY when the obligation arose.
- 3.6 If the filing of the request within the prescribed period under the preceding number cannot be made due to justifiable grounds, which include, but not limited to illness/sickness of the claimant, calamities, cases of fortuitous event and *force majeure*, the same must be filed within 15 days after the cited justifiable ground ceased to exist, with a notarized letter of explanation.
- 3.7 Upon receipt of the request for payment with the complete set of supporting documents, the officers and employees of the accounting/budget/finance office tasked to process the request must complete processing the payment and transmit the same to the approving officers within 30 days from receipt.
- 3.8 Upon receipt of the request for payment and its complete supporting documents, the approving officer must act upon the request within 15 days from receipt thereof.
- 3.9 Every agency, department, bureau or office of the National Government, including State Universities and Colleges (SUCs), shall prepare a regular Monthly Status Report of the unpaid prior years' salaries and other authorized personnel benefits of its officials and employees, which shall be submitted to this Commission's Resident Auditor or the audit team leader (ATL) and supervising auditor (SA) and to the DBM every 5th working day of the following month.
- 3.10 Aside from the Monthly Status Report, every department, bureau, office or agency of the National Government, including SUCs, is required to submit a regular Semestral and Annual Status Report of the unpaid prior years' salaries and other authorized personnel benefits to the respective

ATLs and SAs concerned and to the DBM for review and analysis of the PS fund utilization of the agency/office. The Monthly Status Report shall be attached to the Semestral Status Report and to the request of the department, agency, bureau or office for exemption from the lapsing of the Notice of Cash Allocation allocated for payment of PS in a given CY, if such request is made.

- 3.10.1 Two Semestral Status Reports of the unpaid prior years' salaries and other authorized personnel benefits shall be submitted by the department, agency, bureau or office, as follows:
- a. The first Semestral Status Report shall cover the period of January to June of the CY, which shall be submitted on or before the 15th day of July of the same CY.
 - b. The second Semestral Status Report shall cover the period of July to December of the CY, which shall be submitted on or before the 15th day of January of the following CY.
- 3.10.2 The Annual Status Report shall be submitted to cover the period of January to December of a given calendar year, which shall be submitted on or before the 15th day of the given CY.
- 3.10.3 If the above dates fall on a Saturday, Sunday or holiday, then the report shall be submitted on the next working day.
- 3.11 The formats of the status reports are herein attached as Annexes A, B and C, respectively.
- 3.12 The ATLs and SAs of the government agency/department/bureau/office concerned shall forward the reports to their respective clusters in the COA National Government Sector (NGS) within ten working days from receipt thereof. The NGS, in turn, shall forward the same within five working days to the Government Accounting Sector for analysis and policy formulation purposes.
- 3.13 The head of department, agency, bureau or office shall supervise the full implementation of this Circular to ensure strict compliance and avoid undue delay in paying the prior years' authorized personnel benefits of the officials and employees of the department, agency, bureau or office.
- 3.14 All payments made under this Circular are subject to budgeting, accounting and auditing laws, rules and regulations, and to post-audit.

4.0 PENALTY CLAUSE

Failure to observe the provisions of this Circular shall subject the erring officials and employees to applicable penalties under Republic Act (R.A.) No. 6713 or the Code of Conduct and Ethical Standards for Public Officials and Employees, and R.A. No. 9485 or the Anti-Red Tape Act of 2003, and other existing laws and regulations.


5.0 APPLICABILITY

This Circular shall be applied prospectively.


6.0 EFFECTIVITY

This Circular shall take effect after 15 days following its publication in two newspapers of general circulation and its filing in the Office of the National Administrative Register, University of the Philippines Law Center.³




MICHAEL G. AGUINALDO
Chairperson


JOSE A. FABIA
Commissioner


ISABEL D. AGITO
Commissioner

ERD/RNP/DVP
CPASSSS-OAC-2019-02-00200

³ As required under Section 3 of Chapter 2, Book VII of the Administrative Code of 1987.

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ANNEX A

Republic of the Philippines
(Name of the Agency)
Address of the Agency

Prior Years' Unpaid Authorized Personnel Benefits
for the Month of _____, Calendar Year _____

Employee's Name	Personnel Benefit	Period	Reason for Non-Payment	Amount
1.				
2.				
3.				
4.				
5.				
6.				
7.				

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ANNEX B

Republic of the Philippines
(Name of the Agency)
Address of the Agency

Prior Years' Unpaid Authorized Personnel Benefits
for the _____ Semester, Calendar Year _____


Employee's Name	Personnel Benefit	Period	Amount	Reason for Non-Payment	Status/Remarks
1.					
2.					
3.					
4.		<i>AM</i>			
5.					
6.					
7.					

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Republic of the Philippines
 (Name of the Agency)
Address of the Agency

Annual Report on the Prior Years' Unpaid Authorized Personnel Benefits
 for Calendar Year _____

Employee's Name	Personnel Benefit	Period Covered	Amount	Reason for Non-Payment	Action/s Taken		Remarks
					Employee	Agency	
1.							
2.							
3.							
4.							
5.							
6.							
7.							

