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GUIDELINES ON THE GRANT OF HONORARIA IN THE LOCAL GOVERNMENT UNITS

DBM LOCAL BUDGET CIRCULAR NO. 62, July 29, 1996

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Purpose

In view of the modification in the rates of honoraria in the national government to conform with the pertinent provisions under Letter of Instructions No. 565 and the annual General Appropriations Act, and in line with RA 7160, this Circular is being issued to prescribe rules and regulations in the grant of honoraria in the local government units pursuant to Presidential Administrative Order No. 42, s. 1993.

2

Definition of Terms

For purposes of this Circular, the following terms shall be defined as follows:

2.1 Honoraria is a form of compensation paid to a government official or employee for services rendered in addition to, but nevertheless form part of, his regular duties and responsibilities.

2.2. Local government activity/special project is an undertaking by a composite group of officials/employees from one or more department(s)/office(s) of a local government unit or from one or more LGUs which is not among their regular functions. An activity/special project which shall hereinafter be referred to as project shall have specific timeframe of not less than one month, and shall result in an output or sets of outputs which are not part of the regular outputs of the LGUs concerned.

2.3 Project Component refers to a specific group undertaking within the scope of the entire project which has a distinct set of outputs, accomplishment of which require independent internal planning and development.

3

Coverage

3.1 This Circular shall cover the following:

3.1.1 Local government personnel performing or discharging duties in LGU activities or special projects in addition to or over and above their regular functions regardless of the source of fund;

3.1.2 Researchers, experts and specialist who are acknowledged authorities in their field of specialization, other than those paid consultancy fees;

3.1.3 Judges, prosecutors, public elementary and high school teachers and other national government officials assigned in LGUs; and

3.1.4 Officials and employees of LGUs designated to fill a temporary vacancy in the staffing pattern of the LGU

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in a concurrent capacity.

4

Honoraria for Project Personnel

4.1 Personnel assigned to projects shall be entitled to the following rates of honoraria based on the following hierarchical levels and duties and responsibilities:

Hierarchical Level Honoraria
Duties and Responsibilities Per Month

Project Management Committee
Chairperson/Vice-Chairperson or equivalent

Project Manager/Director or equivalent

> Plans, directs and coordinates the activities of the project, and the efficient allocation and utilization of the project's physical, financial, manpower and technological resources, to ensure that its objectives and targets are accomplished in accordance with prescribed priorities, schedule, timeframe and budgetary allocation.
>
> Or is directly responsible and accountable to the Local Chief Executive for the effective performance and accomplishment of the project.
>
> Or participates in the overall project planning, policy and strategy formulation and supervision P2,500

Project Management Committee Member or equivalent

Assistant Project Manager or equivalent

Project Consultant/Researcher/Expert/Specialist

> Assist project head in carrying out his duties and responsibilities. Acts as Project Manager in the absence of the superior. May undertake the management of specifically assigned group of project components
>
> Or participates in the overall project planning, policy and strategy formulation and supervision.
>
> Or provides advice on or performs highly specialized research and development work along professional, scientific, technical, creative and artistic matters vital to the successful attainment of the objectives and targets of the project/LGU. P2,000

Technical Staff Team Leader/Coordinator

Senior Technical Staff/Team Leader

> Heads a group of Technical Staff/Team Members who are assigned to a specific project component or groups of components. May formulate own plans, methods of approach, guidelines or procedures subject to the overall project objectives
>
> Or performs the difficult phases of a specific project component or group of components which may or may not be subject to technical review but is responsible for its correctness technical adequacy and reliability P1,600

Technical Staff/Team Member

> Performs the simple phases of a specific project component or group of components which is subject to technical review and is answerable for its correctness, technical adequacy and reliability P1,200

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Administrative Staff

Undertakes administrative and support services for the project, including but not limited to, personnel, financial, records, supply management and other auxiliary services P800

4.2 The project plan as approved by the Local Chief Executive should specify objectives, outputs, activities, schedules, resource and manpower requirements and costs.

4.3 The payment of honoraria shall be performance-based and shall be in accordance with the schedule of submission and acceptance of the outputs stipulated in the approved project plan.

4.4 The determination of the amount of honoraria to be paid to each personnel on assignment to a project shall be based on the schedule of outputs contained in the approved project plan and the guidelines to be prescribed by the Local Chief Executive for the project which may include factors such as, but not limited to, performance, productivity and number of hours rendered using the following categories:

Percentage of Permissible Ceiling

High

100%

Medium

80%

Low

60%

4.5 No personnel shall be paid overtime pay for services from the project from which he is receiving honoraria. However, he shall still be entitled to overtime pay for any authorized overtime services rendered to undertake regular office work in his mother unit.

4.6 Project personnel who are on call status as resource persons in a project, shall be paid honoraria on a per project basis at an amount not exceeding P2,000 per project.

4.7 Non-government personnel who are involved in a government-authorized project on an official basis may be entitled to the honoraria prescribed herein, subject to the approval of the Local Chief Executive and to the specific rules and procedures in this Circular.

4.8 The grant of honoraria for project personnel shall be strictly in accordance with the rules prescribed herein and does not need prior approval by the DBM.

4.9 The grant of the same shall be subject to availability of funds as appropriated by the Local Sanggunian.

5

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Honoraria for National Officials

5.1 The rates of honoraria allowed to judges, prosecutors, public elementary and high school teachers and other national government officials assigned in LGUs under LBC No. 55 are hereby modified and set at rates not exceeding the rate of RATA authorized for department heads in the locality. Such honoraria shall be inclusive of all other compensation received by subject officials from the LGU.

5.1.1. Rates of honoraria/additional compensation which are higher than the herein prescribed maximum rates but which are nevertheless authorized before the effectivity of RA 6758 like those of the Judges may continue to be authorized. However such higher rates shall be coterminous with the incumbent Judge as of June 30, 1989 and shall automatically terminate upon transfer of a Judge from one LGU to another.

5.1.2 As a matter of policy, national government officials like the Judges may simultaneously receive allowances from more than one local government unit provided the total amount per month shall not exceed the maximum rates herein authorized. The maximum rate shall correspond to the highest rate from among the LGUs concerned.

5.2 Nevertheless, the grant of honoraria is still subject to the same conditions enumerated under item 2.3.2 of LBC No. 55 issued on March 15, 1994.

6.0

Honoraria for Filing Up Temporary Vacancy

The honorarium rate of officials and employees designated by competent authority to fill temporary vacancy in a concurrent capacity under LBC No. 55 is amended as follows:

6.1 An official or employee in LGUs other than Special cities, designated by competent authority on a concurrent capacity to a position lower than Assistant Department Head but nevertheless heads a specific area of responsibility like division chief in provinces and cities or section chiefs in municipalities may be allowed honoraria at the rate not exceeding P1,000 per month in provinces and cities and P800 per month in municipalities belonging to first (1st) to third (3rd) class and P600 per month for lower than third class.

6.1.1 Concerned officials/employees who are receiving rates consistent with the maximum rates authorized under LBC No. 55 but which are higher than the maximum rates herein authorized may continue to receive such rates. However such authority shall be conterminous to the incumbent personnel

6.2 An official or employee not entitled to RATA in his permanent position, designated by competent authority on a concurrent capacity to a position entitled to RATA, may be authorized to collect the RATA provided it is so specified in the order of designation or honorarium at a rate not exceeding that rate of RATA.

6.3 An official or employee entitled to RATA in his permanent position designated by a competent authority on a concurrent capacity to a higher position with rate higher RATA may be entitled to the difference between the RATA of the two positions or the honorarium under item 6.1 above whichever is higher.

6.4 An official or employee entitled to RATA designated by competent authority to a lateral position in a concurrent capacity for one full calendar month or more may be paid honorarium at rates under item 6.1 above.

7.0

Limitation on Personal Services Expenditures

The local government unit concerned shall see to it that the annual income or finances of the LGU as certified by the Treasurer will allow or permit the grant of the honoraria under this Circular without violating the 45%/55%

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limitation on personal services expenditures prescribed under the Local Government Code.

8.0

Responsibility of the Chief Executive

The Local Chief Executive concerned shall be held personally liable for any payment of honoraria not in accordance with the provisions of this Circular, without prejudice to the refund of any excess payment by the officials and employees concerned.

9.0

Saving Clause

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

10.0

Repealing Clause

All rules and regulations inconsistent with the provisions of this Circular shall be deemed modified accordingly.

11.0

Effectivity

This Circular shall take effect as soon as an appropriation for the purpose has been provided for in the budget of the local government unit concerned but not earlier than January 1, 1996.

Adopted: 29 July 1996

(SGD.) SALVADOR M. ENRIQUEZ, JR.
Secretary

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