



## BUDGET CIRCULAR

No. 2003-5

September 26, 2003

**TO :** Heads of Departments, Bureaus, Offices and Agencies of the National Government, State Universities and Colleges, Government-Owned and/or -Controlled Corporations, Government Financial Institutions, Local Government Units and All Others Concerned

**SUBJECT :** Prescribing Guidelines on the Grant of Honoraria to Government Personnel for FY 2003 and Onwards

### 1. Purpose

This Circular is being issued to prescribe guidelines on the grant of honoraria to government personnel for FY 2003 onwards pursuant to Section 42 of the General Provisions of Republic Act (RA) No. 9206, the 2003 General Appropriations Act (GAA).

### 2. Coverage

This Circular shall apply to all national government agencies (NGAs), government-owned and/or -controlled corporations (GOCCs), and government financial institutions (GFIs) which shall hereinafter be referred to as government entities.

### 3. Definition of Terms

As used in this Circular, the following shall mean:

- 3.1 Coordinator – any government personnel who directs, supervises and/or participates in the organization, coordination and conduct of seminars, training programs and other similar activities.
- 3.2 Facilitator – any government personnel who extends technical assistance to facilitate the conduct of seminars, training programs and similar activities by providing instructional materials such as charts, handouts, projectors, multi-media equipments and other devices.

Published in the Official Gazette, to wit:

VOLUME	NUMBER	PAGE	DATE OF ISSUE
<u>99</u>	<u>51</u>	<u>7932-39</u>	<u>12/22/03</u>

NOTE: This circular (BC No. 2003-5 dated September 26, 2003) rescinded NCC No. 75, dated March 1, 1995.

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- 3.3 Lecturer – any person from the government or private sector who conducts lectures in seminars, training programs and other similar activities.
- 3.4 Resource Person – any person from the government or private sector who serves as speaker in seminars, training programs and similar activities.
- 3.5 Training Institution – refers to those agencies mandated by their respective charters or enabling acts to conduct centralized training programs to staff of other agencies.

**4. General Guidelines**

Heads of entities are authorized to use their respective appropriation for the payment of honoraria only to the following:

- 4.1 teaching personnel of the Department of Education, Commission on Higher Education, Technical Education and Skills Development Authority, State Universities and Colleges and other educational institutions engaged in actual classroom teaching whose teaching load is outside of the regular office hours and/or in excess of the regular load;
- 4.2 those who act as lecturers, resource persons, coordinators and facilitators in seminars, training programs and other similar activities in training institutions; including those conducted by entities for their officials and employees; and
- 4.3 chairs and members of Commissions/Boards Councils and other similar entities which are hereinafter referred to as a collegial body including the personnel thereof, who are neither paid salaries nor per diems but compensated in the form of honoraria as provided by law, rules and regulations.

**5. Specific Guidelines**

- 5.1 Teaching personnel listed under Item 4.1 hereof may be paid honoraria in accordance with Item 17.5, Annex A of National Budget Memorandum No. 95 dated March 8, 2003.
- 5.2 Government personnel listed under Item 4.2 hereof may be paid honoraria based on actual training hours rendered not exceeding the following:

5.2.1 For coordinators and facilitators:

$$\text{HTR} = \frac{\text{MSR}}{176^*}$$

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Where:

MSR = Monthly salary rate of the coordinator and facilitator to be paid honoraria

\* This is computed at 8 hours/day multiplied by 22 days or 176 hours a month.

5.2.2 For lecturers and resource persons:

Hourly rate of a Professor VI position for actual lecture hours, including reasonable time for preparation of materials not exceeding 10 hours in all.

Government personnel who serve as coordinators, facilitators, lecturers or resource persons in seminars, training programs and similar activities conducted by their own entities shall not be entitled to the honoraria authorized herein.

5.3 The chairs, members and personnel listed under Item 4.3 hereof may be paid honoraria at the following rates:

Chair 25% of the monthly representation and transportation allowances (RATA) of the chief operating officer of the collegial body for every meeting actually attended but not to exceed four (4) paid meetings a month.

Members 25% of the monthly RATA of the second ranking official of the collegial body for every meeting actually attended but not to exceed four (4) paid meetings a month.

Personnel the hourly rate of equivalent positions in the national government as determined by the Department of Budget and Management but not to exceed 8 hours a day/40 hours a week.

They shall not be allowed other benefits, whether in cash or in kind, except when it is specifically provided by law. In case their present honoraria is higher than the honoraria authorized herein they shall continue to receive the same until the termination of their appointment/contract.

5.4 Department Secretaries, Undersecretaries and Assistant Secretaries who are ex-officio members of the collegial body shall not be paid the honoraria authorized therein pursuant to the Supreme Court ruling under G.R. No. 83896 dated February 22, 1991.

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5.5 GOCCs/GFIs exempted from the coverage of Republic Act No. 6758 or the Salary Standardization Law and Local Government Units (LGUs) are encouraged to adopt the provisions of this Circular as far as practicable.

**6. Prohibition**

Heads of all government entities are prohibited from paying honoraria to personnel outside of those covered herein except when specifically provided by law.

**7. Funding Source**

The amount necessary to implement the honoraria authorized herein shall be charged as follows:

7.1 For NGAs, the amount shall be charged against the amount appropriated for the purpose in the General Appropriation Act.

7.2 For GOCCs and GFIs, the amount shall be charged against their respective corporate funds.

7.3 For LGUs, the amount shall be charged against their respective local funds.

**8. Saving Clause**

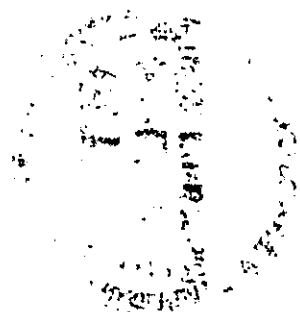
Cases not covered by the provisions of this Circular shall be submitted to the Secretary of Budget and Management for resolution.


**9. Repealing Clause**

Inasmuch as there is no more legal basis to grant honoraria to those not specifically mentioned in said Section 42 of the 2003 GAA, National Compensation Circular No. 75 dated March 1, 1995 is hereby rescinded and the provisions of Circulars which are inconsistent with the provisions of this Circular are deemed amended, repealed and superseded accordingly.

**10. Effectivity**

This Circular shall take effect fifteen (15) days after its publication in the Official Gazette or newspaper of general circulation whichever comes earlier.



  
**EMILIA T. BONCODIN**  
Secretary