



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
BONCODIN HALL, GENERAL SOLANO STREET, SAN MIGUEL, MANILA

BUDGET CIRCULAR

No. 2018 - 1
March 8, 2018

TO : All Heads of Departments, Bureaus, Offices, and Agencies of the National Government, Including State Universities and Colleges (SUCs), and Government-Owned or -Controlled Corporations (GOCCs); Local Government Units (LGUs); and All Others Concerned

SUBJECT : Rules and Regulations on the Grant of Uniform/Clothing Allowance (U/CA) to Civilian Government Personnel

1.0 Background

Section 50 of the General Provisions of Republic Act (R.A.) No. 10964 or the Fiscal Year (FY) 2018 General Appropriations Act (GAA) provides that an amount not exceeding Six Thousand Pesos (P6,000) per annum is authorized for the payment of U/CA of each qualified government employee, subject to the guidelines, rules and regulations issued by the Department of Budget and Management (DBM).

2.0 Purpose

This Circular is issued to prescribe the updated rules and regulations on the grant of the U/CA to civilian personnel.

3.0 Coverage

This Circular covers civilian government personnel occupying regular, contractual, or casual positions; appointive or elective; rendering services on full-time or part-time basis.

4.0 Exclusions

The following are excluded from the coverage of this Circular:

- 4.1 Military personnel of the Armed Forces of the Philippines under the Department of National Defense and uniformed personnel of the Philippine National Police, Philippine Public Safety College, Bureau of Fire Protection, and Bureau of Jail Management and Penology under

the Department of the Interior and Local Government, Philippine Coast Guard under the Department of Transportation, and the National Mapping and Resource Information Authority under the Department of Environment and Natural Resources;

- 4.2 Foreign service personnel of the Department of Foreign Affairs and of other departments/agencies who are stationed abroad;
- 4.3 *Barangay* officials and employees paid monthly honoraria; and
- 4.4 Those hired without employer-employee relationships and funded from non-Personnel Services appropriations/budgets, as follows:
 - 4.4.1 Consultants and experts hired for a limited period to perform specific activities or services with expected outputs;
 - 4.4.2 Laborers hired through job contracts (*pakyaw*) and those paid on piecework bases;
 - 4.4.3 Student laborers and apprentices; and
 - 4.4.4 Those whose services are engaged through job orders, contracts of service, and others similarly situated.

5.0 Rationale of the Grant of U/CA

The U/CA is granted to defray expenses for uniforms or distinctive clothing which are the required appropriate attire for employees in the regular performance of their work. In general, such uniforms or clothing are intended to:

- 5.1 Identify the employees with their mother agencies and to convey emblem of authority; and
- 5.2 Serve as protective or working clothing; especially for maintenance, workshop, and farm personnel.

6.0 Rates of the U/CA

- 6.1 For FY 2018, the U/CA for full-time service of government personnel shall not exceed **₱6,000** per annum. For each subsequent year, the U/CA shall not exceed the amount authorized under the pertinent general provision in the annual GAA.
- 6.2 The U/CA per annum for part-time service shall be in direct proportion to the U/CA for full-time service. For example, the U/CA for part-time service in FY 2018 shall be computed as follows:

$$\text{U/CA (Part-Time Service in FY 2018)} = (\text{₱6,000}) \frac{(\text{x hours of part-time service/day})}{8 \text{ hours of full-time service}}$$

- 6.3 If funds in GOCC or LGU budgets are not sufficient to implement fully the U/CA authorized for the fiscal year, the U/CA may be granted at lower but at uniform rates for all qualified personnel.

7.0 Forms and Other Details of the U/CA

- 7.1 The U/CA may be granted in the following forms:

7.1.1 In the form of uniforms procured through a bidding process which may include uniform articles normally worn as part thereof such as regulation caps, belts, etc., for incumbents of positions like Special Police, Security Guard, etc.;

7.1.2 In the form of textile materials and cash to cover sewing/tailoring costs, as has been adopted by very large departments; and

7.1.3 In cash form, for incumbents of executive positions who may not be required to wear the prescribed uniforms, or for those who will procure their individual uniforms according to set conditions.

- 7.2 As far as practicable, such uniform/clothing shall use Philippine tropical fibers pursuant to R.A. No. 9242¹, s. 2004.

- 7.3 Shoes shall be on the personal accounts of officials/employees, unless provided for by law.

8.0 Government Service Requirement

8.1 Generally, the full rates of the U/CA for full-time and part-time service shall be granted to those who are already in government service and are to render services for at least six (6) months in a particular fiscal year, including leaves of absence with pay.

8.2 The six (6)-month service requirement shall not cover those who are required to wear uniforms at all times in the performance of their work such as incumbents of positions of Security Guard, Special Police, medical and allied medical staff in hospitals, and those in similar situations, as they have to wear their uniforms at all times.

9.0 Grant of U/CA Due to Various Personnel Actions/Engagements

- 9.1 Newly-Hired Employee

A newly-hired employee may qualify to the grant of U/CA only after rendering six (6) months of service, and if expected to render

¹ An Act Prescribing the Use of the Philippine Tropical Fabrics for Uniforms of Public Officials and Employees and for Other Purposes dated February 10, 2004

services for at least six (6) months for the rest of the year.

9.2 An Employee on Detail

The U/CA of an employee on detail to another government agency shall be borne by the mother agency.

9.3 Transferred Employee

9.3.1 An employee who transferred to another agency and was not granted U/CA by the former agency shall be granted U/CA by the new agency, subject to the submission of a certification to that effect.

9.3.2 An employee who transferred to another agency within the year but was earlier granted U/CA by the previous agency shall no longer be granted U/CA by the new agency.

9.3.3 An employee who transferred to another agency and is required to wear uniforms at all times, may be granted U/CA by the new agency even if he/she was granted U/CA by the former agency, subject to the approval of the new agency head.

9.4 Employee on Study Leave or Study/Training/Scholarship Grant

9.4.1 An employee on study leave or on study/ training/scholarship grant locally or abroad shall be entitled to the U/CA for the year if he/she renders at least six (6) months of service in the same year, including leaves of absence with pay, prior to and/or after the study leave or study/training/scholarship grant.

9.4.2 If an employee is on study/training/scholarship grant for the whole year, locally or abroad, and is not required to report for work, he/she is not entitled to the U/CA.

10.0 Fund Sources of the U/ CA

10.1 For National Government Agencies (NGAs), including SUCs:

10.1.1 The amount of ₱5,000 per employee is already provided under the agency-specific budget and included in the comprehensive release of allotments through the GAA as Allotment Order.

10.1.2 The additional requirement of ₱1,000 per employee shall be charged against the Miscellaneous Personnel Benefits Fund (MPBF) under the FY 2018 GAA.

10.2 For GOCCs, the amount required shall be charged against their respective approved corporate operating budgets.

10.3 For LGUs, the amount required shall be charged against their respective local government funds.

11.0 Personnel Services Limitation in LGUs

The grant of U/CA in LGUs shall be subject to the Personnel Services limitation in LGU budgets pursuant to Sections 325(a) and 331(b) of R.A. No. 7160 or the "Local Government Code of 1991."

12.0 Responsibilities of Agencies

Agencies shall be held responsible for the proper implementation of the provisions of this Circular.

12.1 They shall issue internal guidelines on the grant of the U/CA such as, determination of the form of U/CA, and selection of uniform/clothing designs.

12.2 They shall also issue internal guidelines on: the prescribed uniform or clothing for specific or special employee groups; modified uniforms as may be necessary due to religious affiliations or creed, physical disabilities, or legitimate health reasons; and monitor compliance with set guidelines on wearing uniforms and appropriate attire.

12.3 They shall be held liable for any grant of U/CA not in accordance with the provisions of this Circular without prejudice, however, to the refund by the employees concerned of any excess or undue payments.

13.0 Resolution of Cases

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

14.0 Repealing Clause

This Circular repeals Budget Circular No. 2012-1 dated February 23, 2012.

15.0 Effectivity

This Circular shall take effect immediately.

C. C. C.
BENJAMIN E. DIOKNO
Secretary

AMC

