



REPUBLIC OF THE PHILIPPINES

## Department of Budget and Management

Building I, General Solano Street, San Miguel, Manila



### LOCAL BUDGET CIRCULAR

No. 78

March 8, 2004

TO : All Provincial Governors, Vice-Governors, Treasurers, Budget Officers, Auditors, Regional Directors of the Department of the Interior and Local Government, Department of Finance, Department of Budget and Management, Civil Service Commission and Other Officials Concerned

SUBJECT : **GUIDELINES ON THE PROVISION OF FREE QUARTERS TO PROVINCIAL GOVERNORS AND VICE-GOVERNORS**

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#### 1.0 Purpose

To provide guidelines on the provision of free quarters to Provincial Governors, pursuant to Item No. 2.3 of Joint Commission on Local Government Personnel Administration (JCLGPA) Circular No. 34 dated August 8, 1988 and extending the benefit to Provincial Vice-Governors, in accordance with Administrative Order No. 42 dated March 3, 1993.

#### 2.0 Coverage

This Circular shall apply to all Provincial Governors and Vice-Governors who have no residence within a 50 kilometer radius from the provincial capitol; provided, however, that they are not furnished free quarters by the provincial government, or they are charged only a nominal rate in government-owned buildings used as dormitories or living quarters.

#### 3.0 Definition of Free Quarters

Free quarters shall mean the free use of government-owned or leased place of lodging (fully furnished) preferably in the provincial capital or any other appropriate location within fifty (50) –kilometer radius from the provincial capitol. Such quarters may include telephone, water and electricity for basic needs.

#### 4.0 Guidelines

- 4.1 Local Government Units (LGUs) may provide free quarters within their Office premises to officials covered who have no residence within a 50-kilometer radius from the provincial capitol.

- 4.2 Where there is not enough space to be used as quarters, the LGU concerned may rent houses or rooms which shall serve as quarters at reasonable rates based on the prevailing cost of rental in the area or locality as determined under Chapter 4 of the Manual of Building Services and Real Property Management (BSRPM) issued under Joint DBM, DENR and DPWH Circular No. 1, dated September 30, 1989, provided that such rates shall not exceed twenty-five (25%) of their monthly basic salary, and subject to the following:
- 4.2.1 The rental contract shall be entered into by and between the LGU concerned and the owner of the dwelling unit; and the rental payments shall be paid to the latter and not commuted in favor of the officials concerned.
  - 4.2.2 The above rates shall be inclusive, however, of the amount for telephone, water and electric bills, which shall likewise be paid directly to the utility companies.
  - 4.2.3 Those who desire more expensive/extensive quarters other than those rented by the LGU may secure such preferred quarters, provided that the difference between the rental cost and the amount authorized therefor shall be paid by the former.
- 4.3 Provision of free quarters outside of the 50-kilometer radius from the provincial capitol, such as in Metro Manila, shall not be allowed.
- 4.4 The amount necessary for the implementation of the provisions of free quarters to Provincial Governor and Vice-Governor shall be charged against the respective LGU funds.

## 5.0 Effectivity

This Circular shall take effect immediately.



**EMILIA T. BONCODIN**  
Secretary