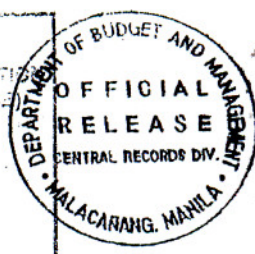


REPUBLIC OF THE PHILIPPINES
Department of Budget and Management
Building I, General Solano Street, San Miguel, Manila

DBM
ORGANIZATION, POSITION CLASSIFICATION
and COMPENSATION BUREAU (GPOSS)
Received
APR 25 2007
Date



LOCAL BUDGET CIRCULAR

No. 85
APRIL 23, 2007

TO : All Provincial Governors, City/Municipal Mayors, Barangay Chairpersons, Provincial/City/Municipal/Barangay Sanggunian Members, Provincial/City/Municipal Treasurers/Budget Officers/Auditors, Regional Directors of the Department of the Interior and Local Government and Department of Budget and Management, and Other Officials Concerned

SUBJECT : Supplemental Rules and Regulations on Leave Benefits of Barangay Officials

1.0 Purpose

This Circular is issued to supplement Item 3.2 and to amend Item 6.0 of Civil Service Commission (CSC) and Department of Budget and Management (DBM) Joint Circular No. 1, s. 2004, "Leave Benefits of Barangay Officials," after consultations were made with the CSC.

2.0 Policy Statement

In the spirit of local autonomy, barangay governments shall have the discretion to determine when the leave credits of their elective and appointive officials which were earned in a particular year may be monetized within the immediately succeeding fiscal year.

3.0 Rules and Regulations

Item 3.2 of said Joint Circular provides that "Leave credits shall be cumulated up to the year only and shall be commuted yearly." In view hereof, the funding for the monetization of leave credits for a particular year shall be included in the appropriation for the next fiscal year but shall not be carried over to the second next fiscal year.

Item 6.0 of said Joint Circular is hereby amended such that the money value of the annual leave credits for a particular year may be paid in full anytime during the year immediately succeeding the year when the leave credits were earned.

3.3

The appropriations for the monetization of leave credits may be included in the annual or supplemental budgets of barangay governments and shall not be subject to the personal services (PS) limitation mandated under Section 331 (b), RA No. 7160, "Local Government Code of 1991." The PS limitation is waived thereon pursuant to item (viii) of the last paragraph of Section 85, General Provisions of RA No. 9401, the FY 2007 General Appropriations Act.

4.0 Effectivity

This Circular shall take effect immediately.


ROLANDO G. ANDAYA, JR.
Secretary