

REPUBLIKA NG PILIPINAS  
SANGGUNIANG PANLUNGSOD  
LUNGSOD NG ORMOC



EXCERPT FROM THE MINUTES OF THE REGULAR SESSION OF THE  
FOURTEENTH SANGGUNIANG PANLUNGSOD NG ORMOC HELD  
AT THE SANGGUNIANG PANLUNGSOD SESSION HALL,  
ORMOC CITY HALL BUILDING  
ON DECEMBER 27, 2018

PRESENT:

Vincent L. Rama,	(Acting City Vice-Mayor & Temporary Presiding Officer),
	SP Member, Majority Floor Leader
Tomas R. Serafica,	SP Member, Asst. Majority Floor Leader
Eusebio Gerardo S. Penserga,	SP Member
Gregorio G. Yrastorza III,	SP Member
John Eulalio Nepomuceno O. Aparis II,	SP Member
	Minority Floor Leader
Lea Doris C. Villar,	SP Member, Asst. Minority Floor Leader
Esteban V. Laurente,	Ex-Officio SP Member, Chapter President,
	Liga ng mga Barangay ng Ormoc
Jasper C. Yerro,	Ex-Officio SP Member, Chapter President,
	Panlungsod Pederasyon ng mga Sangguniang Kabataan ng Ormoc

ON LEAVE:

Leo Carmelo L. Locsin, Jr.	City Vice Mayor & Presiding Officer
Mario M. Rodriguez,	SP Member, Presiding Officer "Pro-Tempore"
Benjamin S. Pongos, Jr.,	SP Member
Nolito M. Quilang,	SP Member

**RESOLUTION NO. 2018-334**

**A RESOLUTION ALLOWING THE CITY ACCOUNTANT TO CHARGE THE TOTAL AMOUNT OF EIGHT HUNDRED FIFTY-THREE THOUSAND SEVEN HUNDRED NINE PHILIPPINE PESOS AND 56/100 (PHP853,709.56) CHARGEABLE AGAINST THE CURRENT YEAR'S PS APPROPRIATION OF THE OFFICE OF THE CITY MAYOR FOR THE PAYMENT OF MID-YEAR BONUS OF QUALIFIED CASUAL EMPLOYEES FOR CALENDAR YEAR (CY) 2017.**

WHEREAS, the Office of the City Mayor forwarded a 2<sup>nd</sup> Indorsement Letter dated October 17, 2018 to this Sanggunian for consideration, relative to the request of Mrs. Adelaida H. Biacolo, City Govt. Asst. Dept. Head I, on the payment of the Mid-Year Bonus of qualified Casual Employees for CY 2017 and further requesting that the said matter be treated as URGENT;

WHEREAS, the said Indorsement letter involves a total amount of EIGHT HUNDRED FIFTY-THREE THOUSAND SEVEN HUNDRED NINE PHILIPPINE PESOS AND 56/100 (PHP853,709.56) which covers the 2017 Mid-Year Bonus of qualified Casual employees for CY 2017;

WHEREAS, in a letter dated June 07, 2018, the Department of Budget and Management (DBM) Regional Office VIII through its Regional Director Anabelle C. Echavez explained that, considering that the Mid-Year Bonus is an authorized personnel benefit, thus mandatory in nature, the Local Government Unit (LGU) is obliged to provide such to their entitled employees subject to the personnel services limitation in LGU budget under Section 325(a) of R.A. No. 7160 and provided further that there is an appropriation for the specific purpose, a copy of the said letter is hereto attached as Annex "A" and made an integral part hereof;

WHEREAS, in another letter dated September 28, 2018, the DBM Regional Office VIII replied to a letter-query sent by Mrs. Adelaida H. Biacolo on whether the casual employees are entitled to Fiscal Year (FY) 2017 Mid-Year Bonus pursuant to Local Budget Circular (LBC) No. 2017-2 that were not given on said FY are still entitled to the same even if they are no longer in active service as of to date, said letter states that having met the conditions for entitlement to the said benefit, subject casual employees are authorized to receive FY 2017 Mid-Year Bonus notwithstanding that they are no longer in active service now, a copy of the said letter is hereto attached as Annex "B" and made an integral part hereof;

WHEREAS, the City Budget Officer, the City Treasurer and the City Accountant, through a certification dated October 11, 2018, certified that the amount of EIGHT HUNDRED FIFTY-THREE THOUSAND SEVEN HUNDRED NINE PHILIPPINE PESOS AND 56/100 (PHP853,709.56) for payment of 2017 Mid-Year Bonus of casual employees is deemed available to be charged against the Current Year's PS appropriation of the Office of the City Mayor, a copy of said Certification is hereto attached as Annex "C" and made an integral part hereof;

WHEREAS, in a letter dated November 20, 2018, the Assistant City Legal Officer, Atty. Jesus Manuel A. Horca, III issued an opinion that Casual employees who are no longer in the government service after May 15, 2017 but, have complied with the necessary conditions are still entitled to the Mid-Year Bonus and that the same should be in favor of the grant of benefits to the employees of LGU Ormoc, a copy of said letter is hereto attached as Annex "D" and made an integral part hereof;

WHEREAS, upon close examination by this august Body of the subject request, the said matter deserves prompt and favorable action;

FOREGOING PREMISES CONSIDERED, on motion of SP Member Tomas R. Serafica, Member, Committee on Finance and Appropriation, severally seconded by SP Members Esteban V. Laurente, Lea Doris C. Villar, John Eulalio Nepomuceno O. Aparis II, Gregorio G. Yrastorza III and Jasper C. Yerro; be it

RESOLVED, AS IT IS HEREBY RESOLVED, to pass a RESOLUTION ALLOWING THE CITY ACCOUNTANT TO CHARGE THE TOTAL AMOUNT OF EIGHT HUNDRED FIFTY-THREE THOUSAND SEVEN HUNDRED NINE PHILIPPINE PESOS AND 56/100 (PHP853,709.56) CHARGEABLE AGAINST THE CURRENT YEAR'S PS APPROPRIATION OF THE OFFICE OF THE CITY MAYOR FOR THE PAYMENT OF MID-YEAR BONUS OF QUALIFIED CASUAL EMPLOYEES FOR CALENDAR YEAR (CY) 2017;

ADOPTED, December 27, 2018.

RESOLVED, FINALLY, to furnish copies of this resolution each to the City Mayor of Ormoc Richard I. Gomez, the City Administrator, Mr. Vincent L. Emnas; the City Legal Officer, Atty. Josephine Mejia-Romero; the City Gov't. Asst. Dept. Head I, HRMO, Mrs. Adelaida H. Biacolo; the City Budget Officer; the City Accountant; the City Treasurer; the OIC-City Director, DILG; and other concerned offices for their information and guidance.

CARRIED UNANIMOUSLY.



I HEREBY CERTIFY to the correctness of the above resolution.

  
MARIA ANTONIETA G. CO HAT  
(OIC - SP Secretary)  
Supervising Administrative Officer

ATTESTED:

  
VINCENT L. RAMA  
(Acting City Vice-Mayor & Temporary Presiding Officer)  
Majority Floor Leader  
SP Member

DEMO COPY

Annex A =



REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF BUDGET AND MANAGEMENT  
REGIONAL OFFICE VIII  
VILLA RUIZ, BARANGAY 77, MARASBARAS, TACLOBAN CITY

June 7, 2018

HON. RICHARD I. GOMEZ  
City Mayor  
City of Ormoc



Dear Hon. Gomez:

This pertains to the letter-query of Ms. Adelaida H. Biacolo, Assistant Department Head 1/HRMO of your LGU, which we received on May 23, 2018, seeking clarifications regarding entitlement to Mid-Year Bonus (MYB) of some of your employees, to wit:

1. Whether our opinion dated May 23, 2018<sup>1</sup> has a retroactive effect that would enable employees to receive Fiscal Year (FY) 2017 MYB even without Calendar Year (CY) 2016 Second Semester Performance Rating but have CY 2017 Performance Rating for services rendered from January 1 to May 15, 2017; and
2. Whether there is a prescriptive period within which to release the 2017 and 2018 MYB.

As to the first issue, please be informed that we have based our opinion on Budget Circular (BC) No. 2017-2 and was just a reiteration of the specific, pertinent provisions thereof. The said Circular which is dated May 8, 2017 provides the rules and regulations on the grant of the MYB for FY 2017 and years thereafter, hence, the same is applicable for the grant of FY 2017 MYB of your LGU.

As to the second issue, the Circular does not contain prescriptive period within which to release the MYB of a particular year but sets the earliest time of releasing, which should not be earlier than May 15 of the current year. May we bring your attention however, to the following relevant provisions of law:

Section 29 (1), Article VI of the Constitution:

*"No money shall be paid out of the Treasury except in pursuance of an appropriation made by law."*

<sup>1</sup> Department of Budget and Management Regional Office VIII (DBM RO VIII) letter to LGU Ormoc City in response to the query of its employee, Mr. Clint M. Diesto stating, among others: "For purposes of establishing entitlement to the CY 2018 Mid-Year Bonus, new employees or those without CY 2017 Second Semester Performance Rating, their CY 2018 Performance Rating for services rendered between January 1 to May 15, 2018 shall be considered, provided however that the minimum appraisal period is observed."

Section 336 of RA No. 7160. Use of Appropriated Funds and Savings:

*"Funds shall be available exclusively for the specific purpose for which they have been appropriated. No ordinance shall be passed authorizing any transfer of appropriations from one item to another. However, the local chief executive or the presiding officer of the sanggunian concerned may, by ordinance, be authorized to augment any item in the approved annual budget for their respective offices from savings in other items within the same expense class of their respective appropriations."*

Section 324(b) of RA No. 7160:

*"Budgetary requirements. The budgets of local government units for any fiscal year shall comply with the following requirements:*

*(a) xxx...*

*(b) Full provision shall be made for all statutory and contractual obligations of the local government unit concerned: Provided, however, that the amount of appropriations for debt servicing shall not exceed twenty percent (20%) of the regular income of the local government unit concerned";*

Applying the above provisions and considering that MYB is an authorized personnel benefit, thus, mandatory in nature, the LGU is obliged to provide such to their entitled employees subject to the personnel services limitation in LGU budget under Section 325(a) of RA No. 7160 and provided further that there is an appropriation for the specific purpose.

In case of deficiency of specific appropriations for the grant of MYB, the same may be augmented from savings in other items within the same expense class consistent with aforesaid Section 336 of RA No. 7160.

We hope that we have clarified the matter accordingly.

Very truly yours,

*/s/ Annabelle C. Echavez 6/2/18*  
ANNABELLE C. ECHAVEZ  
Regional Director

Cc: Adelaida H. Biacolo  
Assistant Department Head 1/HRMO  
City of Ormoc

JAL/EMA/kem  
RN: 2018-RO-6-0051516



REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF BUDGET AND MANAGEMENT  
REGIONAL OFFICE VIII  
VILLA RUIZ, BARANGAY 77, MARASBARAS, TACLOBAN CITY

September 28, 2018

MAYOR RICHARD I. GOMEZ  
City of Ormoc

Dear Mayor Gomez:

This pertains to the letter-query of Ms. Adelaida H. Biacolo, City Government Assistant Department Head 1/HRMO, which we have received on September 20, 2018, seeking clarification, quoted as follows:

*"whether or not the casual employees of our agency who were not able to receive their 2017 Mid-Year Bonus but met the conditions set forth in LBC No. 2017-2 except that they are already separated from the service or no longer in service as of July 2017 and January 2018, are entitled to receive the same."*

As further presented, the matter is being raised due to the opinion of your Budget Officer who declines to grant the employees concerned of their 2017 Mid-Year Bonus because they are no longer in the active service as of this date.

The issue raised by Ms. Biacolo is whether the casual employees determined to be entitled to Fiscal Year (FY) 2017 Mid-Year Bonus pursuant to Local Budget Circular (LBC) No. 2017-2<sup>1</sup>, that were not given on that said FY are still authorized to receive the same even if they are no longer in active service as of to date.

Nowhere in the mentioned Circular indicates a requirement that a personnel should still be in government service after May 15 of the subject FY for him/her to be authorized to receive the said Mid-Year Bonus. Therefore, having met the conditions for entitlement to said benefit, subject casual employees are authorized to receive FY 2017 Mid-Year Bonus notwithstanding that they are no longer in active service now.

Please be guided further with paragraphs 3 to 5 of our letter dated June 7, 2018 addressed to you (hereto attached) in response to a relevant query of Ms. Biacolo.

<sup>1</sup> Rules and Regulations on the Grant of the Mid-Year Bonus for 2017 and Years Thereafter

We hope that we have clarified the matter accordingly.

Very truly yours,

*f. all: Humante 9/12/16*  
**ANNABELLE C. ECHAVEZ**  
Regional Director

Cc: Adelaida H. Biacolo  
Assistant Department Head 1/HRMO  
City of Ormoc

JAL/EMA/kam  
RN: 2018-RO-8-0091865

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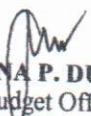
"Annex C"

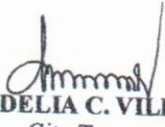
**Republic of the Philippines  
Ormoc City**

**CERTIFICATION**

**THIS IS TO CERTIFY** that the amount of **EIGHT HUNDRED FIFTY THREE THOUSAND SEVEN HUNDRED NINE PESOS & 56/100 (P853,709.56)** for payment of 2017 Mid Year Bonus of casual employees is deemed available to be charged against the Current Year's PS appropriation of the Office of the City Mayor.

Issued this 11th day of October, 2018 to support said request.

  
**SABRINA P. DUERO**  
City Budget Officer

  
**DELIA C. VILBAR**  
City Treasurer

  
**ROSARIO G. SERAFICA**  
City Accountant

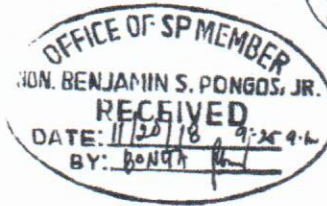
# OFFICE OF THE CITY LEGAL OFFICER

Ormoc City, Leyte



20 November 2018

ATTY. BENJAMIN S. PONGOS, JR.  
SP Member  
Sangguniang Panlungsod  
LGU Ormoc



Re: Comment on Query dated 16 Nov 2018 in re Entitlement of Casual Employees to Mid-Year Bonus

References:

1. Letter to CLO dated 10 Oct 2018, requesting comment.
2. DBM Budget Circular 2017-2 dated 08 May 2017.
3. Letters from DBM RO VIII to LGU Ormoc dated 28 Sep 2018 and 07 Jun 2018.
4. Minutes of Meeting dated 29 Oct 2018, SP Committee on Finance and Appropriations.

Dear SP Member Pongos:

1. Per reference 1, this Office addresses the following questions:
  - a. Whether or not casual employees must be in service as of 15 May 2017 to be entitled to the Mid-Year Bonus (MYB), considering an apparent conflict in 5.1.2 and 5.2 of DBM Local Budget Circular No. 2017-2; and
  - b. Whether the subject casual employees are entitled to the MYB for CY 2017, and whether the grant would be applicable to the years prior to 2017.
2. The supposed conflict within the provisions of 5.0 of the Circular stems from a reading of 5.1.2 thereof against 5.2. For purposes of this comment, this Office reproduces the concerned provisions of the subject Circular herein to wit:

**"5.0 Guidelines on the Grant of the Mid-Year Bonus**

**5.1 The Mid-Year Bonus** equivalent to one (1) month basic pay as of May 15 shall be given to entitled personnel **not earlier than May 15** of the current year, subject to the following conditions:

- 5.1.1 Personnel has rendered at least a total or an aggregate of four (4) months of service from July 1 of the immediately preceding year to May 15 of the current year,
- 5.1.2 Personnel remains to be in the government service as of May 15 of the current year; and

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## OFFICE OF THE CITY LEGAL OFFICER

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5.1.3 Personnel has obtained at least a satisfactory performance rating in the immediately preceding rating period, or the applicable performance appraisal period. If there is a need for a shorter period, it shall be at least ninety (90) calendar days or three (3) months, provided that the total or aggregate service under Item 5.1.1 hereof is complied with.

5.2 Those who have rendered a total or an aggregate of less than four (4) months of service from July 1 of the preceding year to May 15 of the current year, and those who are no longer in the service as of the latter date, shall not be entitled to the Mid-Year Bonus."

3. For purposes of this comment, and inasmuch as the subject Circular was issued dated 08 May 2017, all references to "current year" and "preceding year" shall be treated as referring to 2017 and 2016, respectively.
4. 5.1.2 of the subject Circular is one of the conditions for entitlement to the MYB, and requires that personnel must be in the government service as of May 15 of the current year.
5. On the other hand, 5.2 lists two (2) groups of persons who are not entitled to the MYB, outlined for these purposes to wit:
  - a. Those who have rendered a total or an aggregate of less than four (4) months of service from 01 July 2016 to 15 May 2017; and
  - b. Those who are no longer in the service as of the latter date (15 May 2017).
6. The crux of the query is a perceived conflict between the provisions of 5.1.2, which requires that to be entitled to the MYB, personnel must be in the government service as of 15 May 2017, and 5.2, which disqualifies those who are no longer in the service as of 15 May 2017 from receiving the MYB.
7. It is the opinion of the undersigned that there is in fact no conflict between the stated provisions of the subject Circular. In disqualifying those who are no longer in the service as of 15 May 2017 from receiving the MYB, 5.2 simply reinforces the condition in 5.1.2 that personnel must still be in the service as of 15 May 2017 to qualify for the MYB.
8. Any possible conflict between 5.1.2 and 5.2, would arise out of the question of whether or not personnel who are no longer in the government service *after* 15 May 2017 are still entitled to the MYB if they have complied with the conditions of 5.1.

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9. It is the opinion of this Office that government personnel become entitled to the MYB once he/she has complied with all the conditions outlined in 5.1 of the subject Circular. Once the conditions of 5.1 have been complied with, the MYB becomes earned, and the fact that government personnel is no longer in the service after 15 May 2017 will neither change nor affect the same and the government personnel will still be entitled thereto. It is noted that, taken together, 5.1.2 and 5.2 specifically require that the government personnel must still be in the service on 15 May 2017 to earn the MYB, but does not require further service after said date as a condition.
10. In sum, this Office renders the following comments to the queries posed in the letter dated 16 Nov 2018:
  - a. Per the conditions outlined in 5.1 of the subject Circular, casual employees must still be in the government service as of 15 May 2017 to be entitled to the MYB. Casual employees who are no longer in the government service after 15 May 2017 but have complied with the conditions of 5.1 are still entitled to the MYB.
  - b. The entitlement of the subject casual employees to the MYB is entirely dependent on whether or not they have complied with the conditions set in 5.1.
  - c. The grant of the MYB for years prior to 2017 would depend on the guidelines existing at the time, and subject to applicable budgeting, auditing and accounting rules and regulations.
11. This Office wishes to formally inform the SP that in case of doubt, it is its policy to rule in favor of the grant of benefits to the employees of the LGU Ormoc. The foregoing opinion, while made in accordance with the cited Circular and based on all available information, is yet subject to modification and/or override by proper higher authority.

For the consideration of the Office of the Honorable Benjamin S. Pongos, Jr.

For the City Legal Officer:

Most Respectfully,

  
**ATTY. JESUS MANUEL A. NORCA III**  
City Govt. Asst. Dept. Head  
Assistant City Legal Officer

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