



DEC 29 2020

MEMORANDUM CIRCULAR

No. 2020 - 13

SUBJECT: GUIDELINES ON THE GRANT OF GRATUITY PAY FOR FISCAL YEAR 2020 TO CONTRACT OF SERVICE AND JOB ORDER WORKERS IN THE DENR

Pursuant to provisions of Administrative Order No. 38 dated 28 December 2020 re: Authorizing the Grant of Gratuity Pay for Fiscal Year 2020 to Contract of Service and Job Order Workers in Government, the following guidelines is hereby prescribed on the payment of FY 2020 Gratuity Pay:

I. BASIS FOR PAYMENT OF GRATUITY PAY

Financial requirements for the payment of Gratuity Pay for Fiscal Year 2020 to Contract of Service and Job Order Workers shall be as follows:

Pursuant to Section 3 [Funding Source] of Administrative Order No. 38 dated December 28, 2020

- a. The Gratuity Pay shall be charged to their respective available Maintenance and Other Operating Expense (MOOE) allotment and Object of Expenditure for the **same Program, Activity or Project (P/A/P)** where the compensation of workers engaged through COS and JO are sourced;
- b. In case the available allotment and Object of Expenditure for the **same Program, Activity or Project (P/A/P)** is different from the object of expenditure from where the compensation of workers engaged through COS and JO are sourced, the approval of the Modification of Funds (**MOOE to MOOE within the same P/A/P**) shall be in accordance with DENR Memorandum Circular No. 2019-03 [*Guidelines on the Modification of Allotment under the FY 2019 General Appropriations Act (R.A. 11260) and Thereafter*] dated June 28, 2019.
- c. The approval for the payment of the Gratuity Pay required under Section 3.a of A.O. No. 38 as indicated in Annex 1 (*Report on the number and names of workers per P/A/P engaged through COS and JO qualified for Gratuity Pay*), shall be as follows:

APPROVING AUTHORITY	LIMITS OF AUTHORITY
Director, Financial and Management Service (FMS)	Up to Five Million (PHP 5M)
Assistant Secretary for Finance, Information Systems and Mining Concerns	Above Five Million and up to Ten Million (PHP 10M)
Undersecretary for Finance, Information Systems and Climate Change	Above Ten Million up to Fifteen Million (PHP 15M)
Secretary	Above Fifteen Million

- d. In case of deficiency of allotment for the payment of gratuity pay (*Section 3.b of AO No. 38*), the DENR shall request the Department of Budget and Management (DBM) for additional funds *charged against the respective offices identified savings generated from Maintenance and Other Operating Expenses (MOOE) from other Program, Activity or Project (P/A/P), **subject to the approval of the President***, pursuant to pertinent provisions of Republic Act No. 11465 or the FY 2020 General Appropriations Act (GAA) and existing laws and issuances;

Pursuant to Section 4 [Use of Savings] of Administrative Order No. 38 dated December 28, 2020

- a. Requests for the use of savings under Section 3 (b) of AO No. 38 shall be submitted to the DBM not later than five (5) working days (January 7, 2021 – Thursday) from the effectivity of A.O. No. 38 (December 28, 2020) for endorsement to the Office of the President;
- b. The Staff Bureaus, Regional Offices and PENR Offices shall submit the hardcopy of the required signed financial documents to the DENR Central Office - Financial Management Service (FMS), Budget Division and email soft copy to budget@denr.gov.ph, for evaluation and processing, on or before **January 06, 2021 (Wednesday)**, to wit:
- i) Report on the number and names of workers per P/A/P engaged through COS and JO qualified for Gratuity Pay (Annex 1), as certified by the head of the Human Resource Management Unit and endorsed by the Bureau Director/Regional Executive Director/PENR Officer;
 - ii) Modification Advice Form (*Attachment 1*);
 - iii) Justification on the generation of savings offered for modification for the payment of gratuity pay;
 - iv) Certification of Actual Deficiency and Sources of Funds (*Attachment 3*); *Certified by the Budget Officer that the requested amount from the existing MOOE allotment is free from any obligation and may be declared as savings pursuant to Section 67 of the General Provisions of the FY 2020 GAA, to cover the funding requirements for the grant of gratuity pay;*
 - v) Financial Accountability Reports (FAR) No. 1-A – Summary of Appropriations, Allotment, Obligations, Disbursements & Balances by Object of Expenditures (SAAODBOE) – **As of December 31, 2020.**

II. GRANT OF GRATUITY PAY

Pursuant to Section 1 [Grant of Gratuity Pay] of A.O. No. 38 dated 28 December 2020

- a. All workers whose services are engaged through COS and JO, who have rendered a total or an aggregate of at least four (4) months of actual satisfactory performance of services, as stipulated in their respective contracts, as of 15 December 2020, and whose contracts are still effective

as of same date, may be granted one-time Gratuity Pay not exceeding Three Thousand Pesos (Php3,000.00) each;

- b. Those who have rendered less than four (4) months of actual satisfactory performance service, as stipulated in their respective contracts, as of 15 December 2020, and whose contracts are still effective as of same date, may also be granted the one-time Gratuity Pay, on a *pro rata* basis, as follows:

Length of Service	Amount of Gratuity Pay
3 months or more but less than 4 months	Not exceeding Php2,000.00
2 months or more but less than 3 months	Not exceeding Php1,500.00
Less than 2 months	Not exceeding Php1,000.00

- c. For purposes of this Circular, actual service shall refer to services rendered on-site, i.e., the COS and JO workers physically report for work at their designated stations. Subject to the discretion of the Agency Head and the availability of funds, services rendered by COS and JO workers offsite during the period of community quarantine, i.e., work from home arrangement, may also be considered as actual service.

III. COVERAGE

Pursuant to Section 2 [Coverage] of A.O. 38 dated 28 December 2020

This Circular shall cover workers whose services are engaged through COS and JO by the DENR and all its subordinate offices, bureaus and attached agencies.

IV. EFFECTIVITY

This Circular shall take effect immediately.


ROY A. CIMATU
Secretary

