

<b>Memorandum Circular</b>	<b>GUIDELINES ON THE GRANT OF THE PERFORMANCE-BASED BONUS OF FY2022 (PBB2022)</b>	Date:
Number:		30 September 2022
MC-2022-007		Page: 1 of 12 pages

## 1. REFERENCE DOCUMENTS:

- 1.1. Presidential Decree No.205 Creating and Establishing the Development Academy of the Philippines, Defining its Powers, Functions and Responsibilities, and for other purposes
- 1.2. Board Resolution 2001-005, Confirming the Authority of the DAP President as Chief Executive Officer to Promulgate Internal Management Policies and Implementing Rules and Regulations via Office Orders, Special Orders and Memo Circulars
- 1.3. AO25 MC No.2022-1 Guidelines on the Grant of the PBB for Fiscal Year (FY) 2021 under Executive Order (EO) 80 s 2012 and EO 201 s 2016
- 1.4. COA Circular No.97-002 Rules and Regulations on the Granting, Utilization, and Liquidation of Cash Advances;
- 1.5. Executive Order 80 s.2012 Directing the Adoption of a Performance Based Incentive System for Government Employees;
- 1.6. EO 201 s.2016 Modifying the Salary Schedule for Civilian Government Personnel and Authorizing the Grant of Additional Benefits for both Civilian and Military and Uniformed Personnel
- 1.7. Exec Order No.77 dated March 15, 2019 Prescribing Rules and Regulations and Rates of Expenses and Allowances for Official Local and Foreign Travels of Government Personnel

## 2. COVERAGE:

- 2.1. This Memorandum Circular covers all DAP officers and employees holding plantilla positions;
- 2.2. Excluded from the grant of the PBB are those hired without employer-employee relationships, or paid from non-Personnel Services budgets as follows:
  - 2.2.1. Consultants and experts hired to perform specific activities or services with expected outputs;
  - 2.2.2. Laborers hired through job contracts (*pakyaw*) and those paid on a piecework basis;
  - 2.2.3. Student laborers and apprentices; and,
  - 2.2.4. Individuals and groups of people whose services are engaged through job orders, contracts of service, service agreements, or other similarly situated engagements.

### 3. ELIGIBILITY OF THE ACADEMY

- 3.1. The Academy, pursuant to the AO25 MC 2022-1 re Guidelines on the Grant of the Performance-Based Bonus (PBB) for Fiscal Year 2022 under Executive Order (EO) No.80 s.2012 and EO No.201, s.2016), Section 3 (Eligibility Criteria), which states that, “each **Agency** must satisfy the criteria and conditions under the four (4) dimensions of accountability (see attached definition of dimensions in Annex 1):

- 3.1.1. Performance Results;
- 3.1.2. Process Results,
- 3.1.3. Financial Results, and
- 3.1.4. Citizen/Client Satisfaction Results

and attain a total score of **at least seventy (70) Performance Points**, and achieve at least a rating of 4 for at least **three (3) criteria** (i.e., [1] Performance Results, and/or [2] Process Results, and/or [3] Financial Results, and/or [4] Customer/Client Satisfaction Results) based on the PBB Scoring System to be eligible to grant the PBB2022 shall be adopted (Table 1).

**Table 1. FY 2022 PBB Scoring System**

Criteria and Conditions	Weight	Performance Rating				
		1	2	3	4	5
Performance Results	5	5 points	10 points	15 points	20 points	25 points
Process Results	5	5 points	10 points	15 points	20 points	25 points
Financial Results	5	5 points	10 points	15 points	20 points	25 points
Citizen/Client Satisfaction Results	5	5 points	10 points	15 points	20 points	25 points

- 3.2. A performance rating of “4” in all criteria will yield a total score of **80** points for the Academy. In case DAP fails to meet a rating of **4 in at least three (3) criteria**, the **unit most responsible (including its head) for the criteria with a performance rating of below “4” will be isolated from the grant of the FY 2022 PBB.** (For the specific description of each dimension, please refer to Annex 1)
- 3.3. The rate of the PBB shall be based on the total score of the Academy based on the PBB scoring system as stipulated in Table 8, Section 7 of the AO25 IATF MC 2022-1, as follows:

Table 2. PBB Rate based on Agency Points/Score

Total Score	AMOUNT of PBB2022
<b>100 points</b>	<b>65%</b> = 100% of the 65% monthly basic salary
<b>95 points</b>	<b>61.75%</b> = 95% of the 65% monthly basic salary
<b>90 points</b>	<b>58.5%</b> = 90% of the 65% monthly basic salary
<b>85 points</b>	<b>55.25%</b> = 85% of the 65% monthly basic salary
<b>80 points</b>	<b>52%</b> = 80% of the 65% monthly basic salary
<b>75 points</b>	<b>48.75%</b> = 75% of the 65% monthly basic salary
<b>70 points</b>	<b>45.5%</b> = 70% of the 65% monthly basic salary

3.4. The **basis for the monetary value of the PBB2022** shall be the salary rate of the person based on the entitled employee's Salary Grade and Pay Step (SG & PS) as of December 31, 2022, or the date when he/she is separated from the Academy.

**4. ELIGIBILITY OF DELIVERY UNITS AND INDIVIDUALS**

For FY 2022 PBB, the delivery units of DAP if assessed as eligible agency shall no longer be ranked. However, the **unit/s most responsible for deficiencies shall be isolated.**

In conformance with AO25 MC 2022-1, the eligibility of all individuals in DAP shall be based on the following:

**4.1 Length of Service for CY2022 (LOS2022):**

4.1.1 To determine length of service, the actual number of months and days an individual is in the Academy shall be used based on the actual date of hiring and separation excluding leave without pay.

For the purpose of this guidelines, a month shall be understood as 30 days.

For example, an employee hired on January 1 until March 31 has an equivalent of three (3) months' length of service.

An employee hired on January 1 until April 28 has an equivalent of three (3) months and 28 days (or less than 4 months) length of service.

4.1.2 An employee who rendered a minimum of three (3) months but less than nine (9) months of service; and with at least a **"VERY SATISFACTORY"** rating for the year 2022 shall be eligible for the grant of the PBB2022 on a pro-rata basis corresponding to the actual length of service rendered, as follows:

Table 7. PBB Entitlement based on Length of Service

Length of Service for the Year2022	% of PBB2022 *
<b>A.</b> 9 months or more	100%
<b>B.</b> 8 months but less than 9 months	90%
<b>C.</b> 7 months but less than 8 months	80%
<b>D.</b> 6 months but less than 7 months	70%

Length of Service for the Year2022	% of PBB2022 *
<b>E.</b> 5 months but less than 6 months	60%
<b>F.</b> 4 months but less than 5 months	50%
<b>G.</b> 3 months but less than 4 months	40%
<b>H.</b> Less than 3 months	Not Entitled

4.1.3 An official or an employee who has less than three (3) months in year 2022 shall not be entitled to PBB2022.

4.1.4 The following are the valid reasons for an employee who may not meet the nine-month actual service requirement to be considered for PBB on a pro-rata basis:

4.1.4.1 Being a newly hired employee;

4.1.4.2 Retirement;

4.1.4.3 Resignation;

4.1.4.4 Rehabilitation Leave;

4.1.4.5 Maternity Leave and/or Paternity Leave;

4.1.4.6 Vacation or Sick Leave with or without pay;

4.1.4.7 Scholarship/Study Leave; and/or,

4.1.4.8 Sabbatical Leave.

4.1.5 An employee who is on vacation or sick leave, with or without pay, for the entire year is not eligible for the grant of the PBB.

#### **4.2 Performance Commitment Rating for CY2022 (PCR2022)**

4.2.1 To be eligible for PBB2022, employees belonging to the First, Second, and Third Levels should receive a rating of at least **“VERY SATISFACTORY”** based on the DAP’s Strategic Performance Management System (SPMS).

4.2.2 Below is the DAP’s standard rating scale on Quality, Efficiency, and Timeliness (QET). Whole numbers are to be used in rating the performance dimensions (QET) and averaging the overall point or score (up to 2 decimal places) shall be applied.

**Table 8. Quality, Efficiency, and Timeliness**

Numerical Rating	Adjectival Rating	Description or Meaning of Rating
5	Outstanding	<ul style="list-style-type: none"> <li>▪ Performance exceeded expectation by 30% and above of the planned targets.</li> <li>▪ Performance demonstrated was exceptional in terms of quality, technical skills, creativity and initiative, showing mastery of the task.</li> <li>▪ Accomplishments were made in more than expected but related aspects of the target</li> </ul>

Numerical Rating	Adjectival Rating	Description or Meaning of Rating
4	Very Satisfactory	<ul style="list-style-type: none"> <li>▪ Performance exceeded expectations by 15% to 29% of the planned targets</li> </ul>
3	Satisfactory	<ul style="list-style-type: none"> <li>▪ Performance met 100% to 114% of the planned targets. However, if it involves deadlines required by law, it should follow the prescribed processing time of 3, 7, and 20 days for simple, complex, and highly technical transactions respectively.</li> </ul>
2	Unsatisfactory	<ul style="list-style-type: none"> <li>▪ Performance only met 51% to 99% of the planned targets and failed to deliver one or more critical aspects of the target</li> </ul>
1	Poor	<ul style="list-style-type: none"> <li>▪ Performance failed to deliver most of the targets by 50% and below</li> </ul>

- 4.2.3 Employee/s who failed to submit her/his/their complete SPMS Forms, or its equivalent, shall not be entitled to the PBB2022;
- 4.2.4 The DAP's President will be eligible only if the DAP is eligible. If eligible, the President's PBB rate for FY 2022 shall be equivalent to the rates as stated in Section 7.0 and shall be based on their monthly basic salary (MBS) as of December 31, 2022.
- 4.2.5 Personnel found guilty of administrative and/or criminal cases by final and executory judgment in FY 2022 shall not be entitled to the PBB. If the penalty meted out is only a reprimand, such penalty shall not cause the disqualification to the PBB.
- 4.2.6 Officials and employees who failed to submit the 2021 SALN as prescribed in the rules provided under CSC Memorandum Circular No. 3 s. 2015; or those who are responsible for the non-compliance with the establishment and conduct of the review and compliance procedure of SALN, shall not be entitled to the FY 2022 PBB.
- 4.2.7 Officials and employees who failed to liquidate all cash advances received in FY 2022 within the reglementary period, as prescribed in COA Circular 97-002 dated February 10, 1997, and reiterated in COA Circular 2009-002 dated May 18, 2009, shall not be entitled to the FY 2022 PBB.

As stated in COA Circular 97-002, the reglementary period for cash advance liquidation by the accountable officer shall be as follows:

- Salaries, Wages, etc. - within five (5) days after each fifteen (15) day/end of the month pay period;
- Petty Operating Expenses and Field Operating Expenses - within twenty (20) days after the end of the year; subject to replenishment as frequently as necessary during the year;
- Official Travel - within sixty (60) days after return to the Philippines in the case of foreign travel or within thirty (30) days after return to his permanent official station in the case of local travel, as provided for in EO 248 and COA Circular No. 96-004.

### **4.3 Compliance with Agency Accountabilities**

The PPMC as the DAP's Performance Management Team (PMT) shall continue to implement, monitor, and enforce compliance with the following requirements within the Academy:

<b>Agency Accountability</b>		<b>Responsible Office/Unit</b>
4.3.1	Updating of Transparency Seal	COSM
4.3.2	Compliance to Audit Findings and Liquidation of Cash Advances	Finance
4.3.3	Compliance with Freedom of Information (FOI) Program	IMC
4.3.4	Submission and Review of Statement of Assets, Liabilities, and Net Worth (SALN)	HRMDD and SALN Review Committee
4.3.5	PhilGEPS posting of all invitations to bids and awarded contracts	Admin – BACSec
4.3.6	FY 2022 Non-Common Use Supplies and Equipment (APP-non CSE)	Admin – BACSec
4.3.7	Posting of Indicative FY 2023 APP-non CSE	Admin – BACSec
4.3.8	FY 2023 Annual Procurement Plan-Common Use Supplies and Equipment (APP-CSE)	Admin – BACSec
4.3.9	Results of FY 2021 Agency Procurement Compliance and Performance Indicators (APCPI) System	Admin – BACSec
4.3.10	Undertaking of Early Procurement Activities covering FY 2023 Procurement Projects	Admin – BACSec

While the above-mentioned conditions are no longer required in determining the overall PBB eligibility of agencies, compliance with these conditions shall be used as the basis in determining the eligibility of responsible units and individuals.

The unit/s most responsible (including its head) for non-compliance with the Agency Accountabilities provided in this section shall also be isolated from the grant of the FY 2022 PBB.

The Center/Department/Office that is responsible for the implementation of the prior year's audit recommendations, QMS certification, or posting and dissemination of the agency's system of performance ranking, shall not be entitled to the PBB2022 if the Academy fails to comply with any of the requirements specified in this MC.

#### **4.4 Other Provisions:**

- 4.4.1 Personnel in detail to another government agency for six (6) months or more shall be included in the Recipient Agency that rated his/her performance. The payment of the PBB shall come from the Mother Agency.
- 4.4.2 Personnel who transferred from one Government-agency to another Agency shall be included by the Agency where he/she served the longest. If equal months were served for each agency, he/she will be included in the Recipient Agency.
- 4.4.3 Officials and employees who transferred from government agencies that are non-participating in the implementation of the PBB shall be rated by the Agency where he/she served the longest. The employee shall be eligible for the grant of the PBB2022 on a pro-rata basis corresponding to the actual length of service in the participating implementing agency, as stated in Section 4.1.2 of this Memorandum Circular (MC).

**5 EFFECTIVITY**

- 5.1 This MC shall take effect immediately, and shall remain in force unless otherwise amended, revoked earlier, or renewed.
- 5.2 Likewise, all issuances inconsistent with this Memo Circular shall be deemed superseded.



**ATTY. ENGELBERT C. CARONAN, JR., MNSA**  
*President and Chief Executive Office*

**Annex 1**

**Definition of Dimensions**

**1.0. Performance Results**

Performance Results refer “to the accomplishment of the Congress-approved Program Performance Targets under the Performance-Informed Budgeting (PIB) of the FY2022 General Appropriations Act (GAA).

The targets under the Performance Results enable agencies to concentrate their efforts and available resources on their mandates and core functions, as well as to ensure delivery of high quality and high impact activities. As stipulated in Section 4.1.a. of AO25 IATF’s MC 2022-1, for NGAs, GOCCs covered by the DBM, and SUCs, **must achieve each one of the Congress-approved performance targets under the PIB of the FY 2022 GAA.**

The agency performance in the achievement of **GAA-Funded Program Targets** shall be closely monitored through the use of the Unified Reporting System (URS) - generated Budget and Financial Accountability Reports (BFARs), which **should be submitted in a timely manner, i.e., within thirty (30) days after the end of each quarter, as provided under Item 3.19.2 of DBM National Budget Circular No. 587, pursuant to Section 99, General Provisions of Republic Act No. 11639 (FY 2022 GAA),** to indicate the progress towards the accomplishment of outcomes targeted by the agency for improving the lives of Filipinos.

BFARs will be used to monitor and validate the agency accomplishments. For deficiencies or non-attainment of FY 2022 Program targets, justifications must be submitted together with the prescribed BFAR forms to the Commission on Audit (COA), the DBM, and the Bureau of Treasury (BTr), as applicable through the DBM URS, thirty (30) days after the end of the fourth quarter of FY 2022. The requirements under Performance Results shall be assessed and scored as follows:

**Table 2. Rating Scale for Performance Results**

1	2	3	4	5
Met less than 80% of performance indicators of the Congress-approved performance targets for FY 2022; deficiencies due to controllable	Met less than 80% of performance indicators of the Congress-approved performance targets for FY 2022; deficiencies due to uncontrollable factors	Met at least 80% of performance indicators of the Congress-approved performance targets for FY 2022; deficiencies due to controllable factors	Met at least 80% of performance indicators of the Congress-approved performance targets for FY 2022; deficiencies due to uncontrollable factors	Met each one of the Congress approved performance targets for FY 2022 (all performance indicators)



## 2.0. Process Results

Process Results refer to the achievements in ease of doing business/ease of transaction with the Agency as a result of streamlining, standardization, e.g., through the ISO-certified QMS or its equivalent, digitization, systems and procedures reengineering, and other related improvements.

External services - refer to government services applied for or requested by external citizens or clients or those who do not form part or belong to the government agency or office.

Internal services - refer to government services applied for or requested by internal clients or individuals who are within the respective government agency or office, such as, but not limited to, its personnel or employees, whether regular or contractual. Internal services include services such as, but are not limited to, backend/support services to regulatory functions related to permitting, licensing, and issuance of a privilege, right, reward, clearance, authorizing, or concession.

The target under Process Results is the greater ease of transaction of core services based on mandated functions (external) covering government-to-citizens (G2C), government-to-businesses (G2B), and government-to-government (G2G) transactions, and the administrative and supporting services (internal) within the agency.

The ease of transaction of critical external and internal services may be achieved through streamlining: standardization of core processes including those implemented at the Satellite and Extension Offices; digitization, e.g., by developing electronic or online paperless systems, new service delivery channels, contactless transactions; and systems and procedures reengineering for faster, easily accessible, seamless, and more efficient public service delivery.

For FY 2022, the target will be substantive improvements in ease of doing business/ease of transaction with respect to two (2) critical services consisting of one (1) core service (external) based on the mandated function of the agency and one (1) support/administrative service (internal) as declared in the Academy's updated Citizen's Charter and in line with the Anti-Red Tape Authority (ARTA)'s Whole-of-Government (WOG) Reengineering Manual.

The DAP may use the concepts and tools indicated in the WOG Reengineering Manual in their reengineering efforts and may refer to the submitted initial Reengineering Plan to ARTA as the basis in prioritizing areas for improvement. The results of the implemented reengineering plan shall be reported through Annex 2: Modified Form A which also contains a guide in accomplishing said form. DAP **should report the objectively verifiable evidence of achievements in ease of doing business/ease of transaction using Annex 2.**

The report should highlight the tangible improvements from the viewpoint of the DAP's client/customers in terms of access, turnaround time, transaction costs, documentary and other requirements. Proof or evidence may be any of the following:

- ISO-QMS certification or equivalent certification;
- Most current and updated Citizen's Charter, reflecting the agency's improved and

- streamlined/re-engineered system and procedure for all its government services;
- Report on the digitization initiatives or digital transformation of external and internal services through the development of electronic or online and/or paperless application systems, payment systems, new service delivery channels, contactless transactions, and other process improvements using information technology; and
- Standard operating procedures, manual or documentation of service delivery standards for frontline and non-frontline services of the agency, including those implemented at the Regional, Satellite, and Extension Offices.

The requirements under Process Results shall be assessed and scored as follows:

**Table 3. Rating Scale for Process Results**

1	2	3	4	5
No substantial improvement in ease of transaction in both external core and internal services	Achieved substantial improvements to ease transaction in internal service	Achieved substantial improvements to ease transaction in external service only	Achieved substantial improvements to ease transaction in external but non-priority core service and internal service	Achieved substantial improvements to ease transaction in priority core service (external) and internal service

**3.0. Financial Results**

Financial Results refer to the actual spending of the Agency’s budget allotment vis-a-vis the realization of the committed programs and projects based on the FY2022 GAA.

For agencies and GOCCs covered by the DBM such as the DAP, this shall refer to the attainment of the FY 2022 **Disbursement BURs and the FY 2022 Earmarked Income Targets**. Targets under Financial Results reflect final payments made from the agency’s annual budget allotment to realize their committed programs and projects based the valid appropriations for FY 2022. Hence for FY 2022, agencies shall accomplish the following Disbursements BUR:

- 3.1. **Disbursements BUR** - is measured by the ratio of total disbursements (cash and non-cash, excluding Personnel Services) to the total obligations for Maintenance and Other Operating Expenses (MOOE) and Capital Outlays (CO) made in 2022, net of goods and services obligated by December 31, 2021, but paid only in 2022. The total obligations for MOOE and CO shall refer to those made from the current appropriations under the FY 2022 GAA and the continuing appropriations under FY 2021, respectively. The objective is to measure the disbursements for the obligations for MOOE and CO made in 2022 from all valid appropriations. Transfers to other agencies shall not be considered as disbursements until such time such transferred funds have been actually utilized for payment, inspection and acceptance of goods delivered and services rendered. Hence:

Disbursements BUR=	$\frac{\text{Total Disbursements (cash and non-cash, excluding Personnel Services), net of payments made in 2022 for past years' obligations}}{\text{Total Obligations}}$
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- 3.1.1. BUR for GOCCs is computed as follows:  
 Disbursements BUR = Total Actual Disbursement/Total Actual Obligations (both net of Personnel Services)
- 3.1.2. Disbursements BUR for Mandated Programs=Total Disbursements / Total Obligations
- 3.1.3. Disbursements BUR for Locally Funded Projects=Progress Billing Based Actual Accomplishments / Notice of Cash Allocation

3.2. **Submission of the quarterly BFARs through the DBM-URS in a timely manner within thirty (30) days after the end of each quarter.** As with Performance Results in Section 2.3 of these Guidelines, the DAP will ensure this submission. The submitted FY 2022 Financial Accountability Reports (FAR) No.1 Statement of Appropriations, Allotments, Obligations, Disbursements, and Balances (SAAODB) shall be the basis in determining the FY 2022 BUR accomplishment of agencies.

The requirements under the Financial Results shall be assessed and scored as follows:

**Table 4. Financial Results**

1	2	3	4	5
1-19% Disbursements BUR	20-39% Disbursements BUR	40-59% Disbursements BUR	60-79% Disbursements BUR	80-100% Disbursements BUR

**4.0. Customer/Client Satisfaction Results**

Customer/Client Satisfaction Results pertain to the achievements in satisfying the quality expectations of the DAP clients, both at the individuals and organizations levels.

The DAP shall accomplish and submit reports on the Customer/Client Satisfaction Survey (CCSS), and resolve all reported complaints from Hotline #8888 and Contact Center ng Bayan (CCB), following the prescribed requirements and rating scale in the AO25 IATF MC 2022-1's Annex 5.

Evidence of resolution of complaints and grievances shall be through the submission of a report summarizing the Hotline #8888 and CCB complaints received in FY 2022 and their status if resolved or pending. The validation shall be complemented with reports and collected data on feedback and complaints from citizens/clients gathered by the Office of the President, Presidential Management Staff, Civil Service Commission, and Presidential Communications Operations Office from Hotline #8888

and CCB databases, as well as the Freedom of Information (FOI) portals.

The requirements under the Citizen/Client Satisfaction Results shall be assessed and scored as follows:

**Table 5. Client/Citizen Satisfaction Results**

1	2	3	4	5
No submission/ Did not conduct CCSS	Average satisfaction rate with unresolved complaints and at least 30% compliance rate to #8888 and CCB	More than average rate with unresolved complaints and at least 50% compliance rate to #8888 and CCB	High satisfaction rate with 100% complaints resolved and at least 80% compliance rate to #8888 and CCB	High satisfaction rate with 100% complaints resolved and compliance rate to #8888 and CCB