



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
GENERAL SOLANO STREET, SAN MIGUEL, MANILA



LOCAL BUDGET CIRCULAR

No. 148

Date: ~~DEC 23 2022~~

To : Local Chief Executives, Members of the Local Sanggunian, Local Budget Officers, Local Treasurers, Local Planning and Development Coordinators, Local Accountants, Local Youth Development Officers, Sangguniang Kabataan (SK) Chairpersons, Members of the SK, SK Treasurers, SK Secretaries, and All Others Concerned

Subject : **IMPLEMENTING GUIDELINES ON THE GRANT OF HONORARIUM TO SK OFFICIALS PURSUANT TO REPUBLIC ACT (RA) NO. 11768¹**

1.0 LEGAL BASIS

Section 4 of RA No. 11768, amending Section 16 of the SK Reform Act of 2015 (RA No. 10742), insofar as pertinent, provides the following:

“(6) The [SK] members, including the [SK] treasurer and secretary, shall receive a monthly honorarium, chargeable against the [SK] funds, in addition to any other compensation provided by this Act and shall be granted at the end of every regular monthly [SK] meeting: *Provided*, That the monthly honorarium shall not exceed the monthly compensation received by their [SK] chairperson: *Provided, further*, That not more than twenty-five percent (25%) of the [SK] funds shall be allocated for personnel services. The DBM shall issue the necessary guidelines implementing this provision.

The local government units [LGUs] may provide additional honorarium as well as social welfare contributions and hazard pay to the [SK] chairperson and the elected and appointed members through their own local ordinances: *Provided*, That the honorarium as stated in this section shall be subject to the post-audit jurisdiction of the [Commission on Audit] COA; and xxx”

2.0 PURPOSE

This Circular is being issued to prescribe the guidelines and procedures on the grant of honorarium to SK Members, SK Treasurer, and SK Secretary, henceforth collectively referred to as “SK Officials,” pursuant to Section 4 of RA No. 11768.

¹ “An Act Strengthening the Sangguniang Kabataan, Institutionalizing Additional Reforms to Revitalize Youth Participation in Local Governance and by Providing Honorarium, Other Benefits, and Privileges, Amending for the Purpose Certain Sections of Republic Act no. 10742, Otherwise Known as the “Sangguniang Kabataan Reform Act of 2015”

3.0 POLICY GUIDELINES

3.1 Grant of Honorarium to SK Officials, Charged Against the SK Funds

- 3.1.1 In the performance of their duties enumerated under Sections 8, 14, and 15 of RA No. 10742,² the SK Officials shall each receive a monthly honorarium, chargeable against the SK funds, in addition to any other compensation provided by RA No. 11768, and shall be granted at the end of the month.

Other compensation not authorized by the Act, such as Mid-Year Bonus, Year-End Bonus, Clothing/Uniform Allowance, and other unauthorized benefits/allowances, shall not be granted to the SK Officials.

- 3.1.2 The SK chairperson automatically serves as an *ex officio* member of the Sangguniang Barangay pursuant to Section 430 of RA No. 7160. He or she enjoys the same privileges as the regular Sangguniang Barangay members and he or she shall be entitled to a pro-rata honoraria for every session of the Sangguniang Barangay he or she has attended.

As such, the SK chairperson shall no longer be entitled to receive any honorarium charged against the regular SK funds, except those funded by higher-level LGUs, subject to the limitations in Section 3.2 hereof.

- 3.1.3 The amount of the monthly honorarium of the SK Officials shall be subject to their attendance at SK meetings, deliberations, and official activities of the SK.
- 3.1.4 The monthly honorarium shall be pro-rated based on the actual work and/or attendance vis-a-vis the work and/or meeting schedule or performance standards as may be prescribed under the internal rules of the SK concerned.
- 3.1.5 The monthly honorarium to be received by SK Officials shall not exceed the rate equivalent to Salary Grade (SG) 9, Step 1 in the salary schedule implemented by the city or municipality where the barangay belongs.

In no case shall the monthly honorarium exceed the actual monthly compensation received by the SK chairperson.

- 3.1.6 The monthly honorarium of the SK Officials shall be monitored by the Budget Monitoring Officer³ in a separate budget registry for Personal Services (PS) and recorded in the appropriate registers being maintained by the SK Treasurer. The amount to be allocated for PS shall not be more than twenty-five percent (25%) of the SK funds. For this purpose, SK funds shall refer to the: (i) ten percent (10%) of

² An Act Establishing Reforms in the Sangguniang Kabataan Creating Enabling Mechanisms for Meaningful Youth Participation in Nation-Building, and For Other Purposes

³ Item 3.12 of the Handbook on the Financial Transactions of the Sangguniang Kabataan provides that, "[t]he SK Chairperson with the concurrence of the majority of all the SK members shall designate a **Budget Monitoring Officer (BMO) who shall be responsible in the monitoring of budget and preparation of budget reports.** The BMO shall come from the SK officials except the SK Treasurer." [Emphasis supplied]

the general fund of the mother barangay that is set aside for the SK for the budget year; and (ii) other funds accruing to the general fund of the SK, such as the proceeds from their fund-raising activities pursuant to Section 8 (e) of RA No. 10742, as amended by Section 1 of RA No. 11768, provided that such proceeds are not mandated to be used for specific program(s), project(s), or purpose(s).

- 3.1.7 If the prescribed rate of the SG cannot be fully provided, the proportionate and uniform monthly honorarium shall be determined and approved by the SK through a resolution.
- 3.1.8 The total honorarium to be included in the SK Annual Budget shall cover SK Officials, whether the SK position is filled or vacant.
- 3.1.9 The grant of honorarium to SK Officials shall be included in the Comprehensive Barangay Youth Development Plan and Annual Barangay Youth Investment Program of the SK, and shall be subject to the SK planning and budgeting process pursuant to Department of Budget and Management (DBM)-Department of the Interior and Local Government (DILG)-National Youth Commission (NYC) Joint Memorandum Circular No. 1, s. 2019 dated January 23, 2019⁴ and DILG Memorandum Circular No. 2019-151 dated September 10, 2019.⁵
- 3.1.10 The SKs are strongly advised to observe funding priorities in the determination of the amount of honorarium to be given to the entitled SK Officials. It must be understood that the SKs shall prioritize in the allocation of funds the delivery and implementation of local youth development and empowerment programs, projects, and activities (PPAs) pursuant to Section 20 (c) of RA No. 10742, as amended by Section 6 of RA No. 11768.
- 3.1.11 The grant of honorarium to entitled SK Officials charged against the SK funds shall be subject to pertinent budgeting, accounting and auditing laws, rules, and regulations.

3.2 **Additional Honorarium from the LGUs**

- 3.2.1 The LGUs, i.e., provinces, cities, municipalities, and barangays, may provide additional honorarium, as well as social welfare contributions and hazard pay, to the SK chairperson and the elected and appointed members through their own local ordinances; *Provided*, that the grant of the additional honorarium shall be subject to the request of SK Officials, through a letter by the SK Chairperson, in accordance with Item 3.2.6 of this Circular, submitted to the LGUs concerned prior to the budget year.
- 3.2.2 The grant of additional honorarium, as well as social welfare contributions and hazard pay, to the SK chairperson and the elected and appointed members shall be taken up as financial subsidy to SK in the book of accounts of the LGU concerned. The release of which shall be contingent on the fulfillment of the requirements set forth

⁴ Guidelines on the Appropriation, Release, Planning and Budgeting Process for the SK Funds

⁵ Guidelines on Local Youth Development Planning, Comprehensive Barangay Youth Development Planning, and Annual Barangay Youth Investment Programming of the National Youth Commission

and agreed upon by both parties in a Memorandum of Agreement or contract.

- 3.2.3 The additional honorarium, as well as social welfare contributions and hazard pay, shall be subject to their attendance to SK meetings, deliberations, and official activities of the SK.
- 3.2.4 The hazard pay as may be provided by the higher level LGUs shall conform with existing laws and guidelines, such as DBM Budget Circular No. 2020-1 dated March 24, 2020,⁶ Joint Resolution No. 4 dated June 17, 2009,⁷
- 3.2.5 In no case shall the grant of additional honorarium to SK Officials result in a situation where the total honoraria to be received by the SK Officials will be more than the amount of honorarium being received by the barangay officials of the mother barangay of the SK. In the case of the SK chairperson, the total honorarium to be received shall not be more than the amount of honorarium being received by the members of the Sangguniang Barangay. The LGU officials concerned shall establish a mechanism or system to ensure that this policy is strictly observed and enforced.
- 3.2.6 The grant of additional honorarium to be received by the SK chairperson and the elected and appointed members shall not result in the total honorarium exceeding the rate equivalent to SG 9, Step 1 in the salary schedule implemented by the city or municipality where the barangay belongs.
- 3.2.7 In determining the amount of additional honorarium, as well as social welfare contributions and hazard pay, to be given to the SK chairperson and the elected and appointed members, funding priorities shall be observed and the LGUs concerned must ensure the grant of the same will not significantly affect the LGU's capability to allocate adequate funds for the delivery of basic services and facilities and implementation of developmental projects.
- 3.2.8 The additional honorarium, as well as social welfare contributions and hazard pay, to be given to the SK chairperson and the elected and appointed members, shall be included in the Annual Investment Program of LGUs concerned.
- 3.2.9 The additional honorarium, as well as social welfare contributions and hazard pay, to be given to the entitled SK chairperson and the elected and appointed members, shall be transferred/downloaded to the account of the SK in accordance with Item 3.4 of the Handbook on the Financial Transactions of the Sangguniang Kabataan issued through COA Circular No. 2020-003 dated January 28, 2020.
- 3.2.10 The additional honorarium, as well as social welfare contributions and hazard pay shall be accounted for and recorded in the Registry of Specific Purpose Fund Commitments, Payments, and Balances of the

⁶ Guidelines on the Grant of the COVID-19 Hazard Pay

⁷ Authorizing the President of the Philippines to Modify the Compensation and Position Classification System of Civilian Personnel and the Base Pay Schedule of Military and Uniformed Personnel in the Government, and for other Purposes

SK concerned. Therefore, the same shall no longer be subject to the planning and budgeting process of the SK.

- 3.2.11 The grant of additional honorarium, as well as social welfare contributions and hazard pay, to the SK Officials, charged against LGU funds shall be subject to pertinent budgeting, accounting and auditing laws, rules and regulations.

4.0 POSTING AND REPORTING REQUIREMENTS

The SKs and LGUs concerned shall comply with the posting and reporting requirements that may be prescribed by the NYC, DILG, or COA.

5.0 MONITORING AND EVALUATION SYSTEM

The DILG and NYC, through the Local Youth Development Offices, shall be responsible for the monitoring and evaluation of the grant of honorarium charged against the SK funds pursuant to DILG Memorandum Circular No. 2020-138 dated October 15, 2020⁸ and other guidelines that may be issued by the DILG and NYC. Online submissions for the monitoring and evaluation of reports through the SK Web Portal will likewise be issued by the DILG and NYC.

The DILG shall be responsible for the monitoring and evaluation of the grant of additional honorarium, as well as social welfare contributions and hazard pay, charged against the LGU funds, to the SKs.

The SKs and LGUs concerned shall comply with the guidelines that may be issued by the NYC for this purpose.

6.0 RESPONSIBILITY AND ACCOUNTABILITY

The responsibility and accountability in the determination and payment of honorarium to SK Officials charged against the SK funds shall rest upon the SK chairperson and the elected and appointed members, while the payment of additional honorarium, social welfare contributions, and hazard pay charged against the LGU funds shall rest upon the local chief executives and other local officials concerned.

It is also the responsibility of the said SK and local officials to ensure that public funds are strictly utilized in accordance with applicable budgeting, accounting, and auditing laws, rules and regulations.

7.0 ITEMS FOR RESOLUTION

Interpretation of the provisions of this Circular, including relevant items not covered herein, shall be referred to the DBM for resolution.

⁸ Resolution of the National Youth Commission Relative to the Guidelines on Monitoring the Implementation of Local Youth Development Plan (LYDP), Comprehensive Barangay Youth Development Plan (CBYDP), and Annual Barangay Youth Investment Program (ABYIP)

8.0 **SEPARABILITY CLAUSE**

If any provision of this Circular is declared invalid or unconstitutional, the other provisions not affected thereby shall remain valid and subsisting.

9.0 **REPEALING CLAUSE**

All provisions of existing guidelines that are not consistent with this Circular are hereby revised, modified, and/or repealed accordingly.

10.0 **EFFECTIVITY**

This Circular shall take effect immediately after its publication in the Official Gazette or in a newspaper of general circulation.


AMENAH F. PANGANDAMAN
Secretary

