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DEPT. OF SOCIAL WELFARE & DEVT  
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MEMORANDUM CIRCULAR

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SUBJECT: Updated Guidelines on Monetization of Leave Credits

1.0 RATIONALE

Joint Circular No. 1 s. 1991 issued by the Civil Service Commission (CSC) and the Department of Budget and Management declares that:

*"...leave laws are social legislations which had been enacted to promote the physical and mental wellness of public servants and should be responsive with the times."*

Pursuant to this, rules and regulations governing the monetization of leave credits by civil servants are aimed at providing necessary additional funds to finance the education, health or other emergency expenses of the employee, or any member of his<sup>1</sup> family by allowing the monetization of a portion of his accumulated leave credits.

In order to provide clear guidance in applying for leave credits and clarify the procedure for processing such applications for monetization of leave credits by DSWD employees, it is determined that Department Order No. 20 s. 1999 needs to be enhanced on the basis of Executive Order 292 and other guidelines on monetization promulgated by the Civil Service Commission and the Department of Budget and Management.

2.0 LEGAL BASES

- CSC-DBM Joint Circular No. 1, series of 1991, Rules and Regulations Governing the Monetization of Leave Credits of Government Officials and Employees, Civil Service Commission - Department of Budget and Management (CSC-DBM).
- Joint Circular No. 2-97, series of 1997, Amendatory Rules and Regulations Governing the Monetization of Leave Credits of Government Officials and Employees.
- Civil Service Commission Memorandum Circular No. 41, series of 1998, adopting amendments to Rule XVI (Leave) of the Omnibus Civil Service Rules Implementing Book V of the Administrative Code of 1987 (Executive Order 292), particularly Section 23, allowing the monetization of 50% of all the accumulated leave credits of officials and employees for valid and justifiable reasons.

<sup>1</sup> The words his/her and he/she shall be used alternately in this document and will refer to officials and staff of DSWD.

- Civil Service Commission Memorandum Circular No. 16, s. 2002, Amendment to Section 23, Rule XVI of the Omnibus Rules Implementing Book V of the Administrative Code of 1987, also known as the Omnibus Rules on Leave.
- Civil Service Commission Memorandum Circular No. 8, s. 2003, Amendment to Section 24 of CSC MC No. 41, s. 1998 on Computation of Leave Monetization, subject to the discretion of the agency head and the availability of funds.

### 3.0 COVERAGE

This Circular shall apply to all applications for monetization, regardless of the number of days, of all officials and employees of the DSWD Central and Field Offices whether permanent, temporary, co-terminus, casual and contractual.

### 4.0 OBJECTIVES

- 4.1. Provide the policy and guidelines on the application for monetization of leave credits and the payment thereof.
- 4.2. Ensure that the grant of monetization is transparent, equitable and responsive to the needs of officials and employees.

### 5.0 DEFINITION OF TERMS

- Monetization of leave credits – payment of the money value of accumulated vacation and/or sick leave credits without actually going on leave of absence.
- Accumulated leave – refers to the vacation and/or sick leave credits earned by an official or employee.
- Immediate family – refers to the spouse, children, parents, unmarried brothers and sisters or any relative living under the same roof or dependent upon the employee for support.<sup>2</sup>
- Savings – refer to portions or balances of any programmed appropriation of the Department for a particular year which are free from any obligation or encumbrance and are: (i) still available after the completion of final discontinuance or abandonment of the work, activity or purpose for which the appropriation is authorized; (ii) from appropriations balances arising from unpaid compensation and related costs pertaining to vacant positions and leaves of absence without pay; and (iii) from appropriations balances realized from the implementation of measures resulting in improved systems and efficiencies and thus enabled agencies to meet and deliver the required or planned targets, programs and services approved in the work and financial plan at a lesser cost.<sup>3</sup>

### 6.0 General Policies:

- 6.1. Pursuant to the Joint CSC – DBM Circular No. 2, series of 1997, an official or employee may be allowed to monetize a maximum of 30 days vacation leave credits, subject to the following conditions:<sup>4</sup>

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<sup>2</sup> Omnibus Rules Implementing Book V of EO 292

<sup>3</sup> General Appropriations Act, FY 2011

<sup>4</sup> CSC DBM Joint Circular No. 2, s. 1997

- 6.1.1. There shall remain five (5) days vacation leave/service credits after monetization; and
- 6.1.2. Said official or employee has accumulated no less than fifteen (15) days vacation leave/service credits, in which case he/she can monetize no more than ten (10) days.
- 6.2. Pursuant to CSC Memorandum Circular No. 16, series of 2002, monetization of 50% or more accumulated vacation/sick leave credits may be allowed for valid and justifiable reasons, such as:<sup>5</sup>
  - 6.2.1. Health, medical and hospital needs of the employee and/or the immediate member of her/his family;
  - 6.2.2. Financial aid and assistance brought about by force majeure events such as calamities, typhoons, fire, earthquake and accidents that affect the life, limb and property of the employee and her/his immediate family;
  - 6.2.3. Educational needs of employees and/or the immediate members of her/his family;
  - 6.2.4. Payment of mortgages and loans which were entered into for the benefit or which inured to the benefit of the employee and/or her/his immediate family;
  - 6.2.5. In cases of extreme financial needs of the employee or her/his immediate family where the present sources of income are not enough to fulfill the basic needs such as food, shelter and clothing;
  - 6.2.6. Other analogous cases as may be determined by the Committee on Monetization.
- 6.3. In case of limited funds, employees holding positions below salary grade 19 shall be given preference in the availment of this privilege.<sup>6</sup>
- 6.4. Monetization of leave credits shall be availed of only once a year.
- 6.5. An official or employee who availed of this privilege is still required to go on five (5) days forced leave as provided for in Executive Order No. 1077 dated January 9, 1986 and in the Omnibus Rules on Leave<sup>7</sup>.
- 6.6. Fund Source
  - 6.6.1. Monetization of leave credits shall be paid out of savings of the Office (CO or FO) where the official or employee draw his/her salary.
  - 6.6.2. Payment of monetization of leave credits shall be charged against savings, taking into consideration the priority in the use of savings in accordance with the General Appropriations Act.
  - 6.6.3. Monetization of leave credits of FO employees of not more than 30 days shall be paid out of FO savings. Monetization of 50% or more of FO employees' may also be charged against savings of the FO,

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<sup>5</sup> CSC MC 16, series of 2002

<sup>6</sup> CSC DBM Joint Circular No. 1, s. 1991

<sup>7</sup> Rule XVI of the Omnibus Rules Implementing Book V of EO 292

subject to availability thereof. In the absence of savings in the FO, the application/s may be forwarded to the CO for payment, supported by the resolution of the FO Committee on Monetization, subject to availability of savings at CO.

- 6.7. All requests/applications for monetization shall be reviewed and recommended by the Monetization Committee for action of the appropriate authorities.
- 6.8. The Committee on Monetization in the CO and FO shall review and deliberate on all applications for monetization and recommend to the pertinent approving authority<sup>8</sup> for grant of said privilege.
- 6.9. Cases not covered by this Memorandum shall be brought to the attention of the Chairperson of the Committee on Monetization for evaluation and/or resolution/recommendation.
- 7.0. Committee on Monetization

A Committee on Monetization shall be created in the Central Office and Field Offices constituted as follows:

Central Office

- Chairperson : Assistant Secretary<sup>9</sup>
- Members : Director, Administrative Service  
Director, FMS  
Director from OSEC Cluster  
Director from the OPG Cluster  
Director from the PPG Cluster  
Director from the IDG Cluster
- Secretariat : Head – Chief, Personnel Admin. Division  
Under the Administrative Service
- Member – Staff, Personnel Admin. Division  
Staff, Budget Division

Field Office

- Chairperson : Regional Director
- Members : Chief/OIC of Management Division  
Chief/OIC of Operations Division  
Chief/OIC of Technical Assistance Division
- Secretariat : Unit Head of the HRM Unit, Head of the Secretariat  
Members of the Secretariat shall be composed of  
Heads of Budget and Accounting Units

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<sup>8</sup> Refer to Circular on Delineation of Authority

<sup>9</sup> To be rotated among the Assistant Secretaries except the Assistant Secretary for GASSG. Tour of duty shall be every two years.

- 7.1. The Committee shall have the following functions:
  - 7.1.1. Conduct regular meetings, preferably once a month, to evaluate applications for monetization of leave credits regardless of the number of days applied for.
  - 7.1.2. Determine the ability of the Office (CO or FO) to pay monetization in June and December subject to availability of savings.
  - 7.1.3. Deliberate and prioritize applications for monetization based on but not limited to the following:
    - 7.1.3.1. need (CSC MC No. 16, s. 2002);
    - 7.1.3.2. salary grade;
    - 7.1.3.3. number of years in service;
    - 7.1.3.4. fund availability/savings;
    - 7.1.3.5. date the application for monetization of leave was filed.
  - 7.1.4. Recommend final action to pertinent approving authority on requests for monetization of leave credits received.
- 7.2. The Secretariat shall perform the following functions:
  - 7.2.1. Receive and record the application for monetization of leave credits and check for correctness such as but not limited to salary of employee/official, number of days requested for monetization, reason for applying and the appropriate signatures.
  - 7.2.2. The Personnel Administration Division, being the Head of the Secretariat, shall determine and certify the number of accumulated leave of the applicant and compute the money value of leave credits requested for monetization.
  - 7.2.3. Prepare a report/matrix of applications received indicating name of the applicant, the date received, number of days applied, reason for the application and corresponding money value on a monthly basis and submit to the Monetization Committee for its information. A tool for the purpose is attached as Annex 1.
  - 7.2.4. Determine and secure from pertinent Units/Divisions savings that may be used for the payment of monetization – primarily lapses in Personnel Services.
  - 7.2.5. Arrange/organize committee meetings.
  - 7.2.6. Prepare minutes of meetings, resolutions, recommendations to the approving authority/ies among others.
  - 7.2.7. Other duties that may be assigned by the Committee on Monetization or related to grant of monetization.

## 8.0. Operating Guidelines

- 8.1. Applications for monetization may be submitted anytime to the Personnel Administration Division in the Central Office and the Management Division in the Field Offices for review and recording.

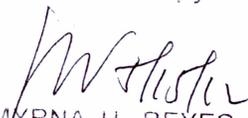
- 8.2. Reason for the application must be explicitly stated in the leave application form.
- 8.3. The Administrative Service at the Central Office and the Management Division in the Field Office shall review the application form for completeness and record the same in the monitoring form. Applications of employees and officials with insufficient leave credits will be officially returned/transmitted to the requesting employee indicating the reason/s why the request for leave monetization is not acted upon.
- 8.4. Deliberation of the Monetization Committee on applications for monetization shall be on the basis of funds availability and justifiable reasons therefor as indicated in this Circular. The recommendation of the Committee for approval of the approving authority shall be in the form of resolution, together with the duly accomplished application forms.
- 8.5. Applicants for monetization shall be informed of the action taken regarding her/his application within one week after the Committee on Monetization has deliberated on all qualified applications.
- 8.6. Any complaint regarding decisions relative to application for monetization shall be elevated to the Undersecretary for GASSG for resolution.

All other Department issuances on monetization are hereby revoked or amended as applicable. This memorandum shall take effect immediately.

Issued this 11<sup>th</sup> day of May 2012.

  
**CORAZON JULIANO-SOLIMAN**  
Secretary

Certified Copy:

  
**MYRNA H. REYES**  
Officer In-Charge  
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