

MEMORANDUM

TO : ALL REGULAR EMPLOYEES

SUBJECT : GUIDELINES FOR RANKING DELIVERY UNITS AND INDIVIDUALS AS BASIS FOR GRANTING THE PERFORMANCE-BASED BONUS (PBB) FOR FY 2017

Date : 20 OCTOBER 2017

I. RATIONALE

In compliance with the Memorandum Circular No. 2017-1 dated 9 March 2017 issued by the Inter-Agency Task Force on the Harmonization of National Government Performance Monitoring, Information and Reporting Systems (IATF), the National Museum shall be guided by the following criteria and conditions in order to be eligible for the grant of the PBB for FY 2017.

II. ELIGIBILITY CRITERIA

The National Museum (NM) must satisfy the following criteria:

1. Achieve agency performance targets under their respective Major Final Outputs (MFOs) under the Performance Informed Budget (PIB) of the FY 2017 GAA, and the targets for Support to Operations (STO) and General Administration and Support Services (GASS);
2. Satisfy 100% of the good governance conditions set by the AO 25 IATF for FY 2017;
3. Use the CSC-approved Strategic Performance Management System in rating the performance of First and Second Level officials and employees and officials holding managerial and Director Positions but are not Presidential appointees; and the Career Executive Service Performance Evaluation System (CESPES) in rating the performance of CES officials and incumbents of CES positions.

III. FY 2017 PERFORMANCE TARGETS

1. All MFO indicators and targets in the FY 2017 Performance-Informed Budget (PIB) approved by Congress shall be the basis for assessing eligibility for the PBB;
2. In addition to the MFO indicators and STO targets in the FY 2017 PIB, NM shall also accomplish the following:
 - a. STO target identified in accordance with the priority of the agency head.

b. Establishment of a Quality Management System (QMS) for at least one core process certified by any international certifying body approved by the AO 25 IATF or ISO aligned documentation of its QMS for one core process as evidenced by the presence of the following documentations in the agency Transparency Seal:

b.1 Approved Quality Manual; and

b.2 Approved Procedures and Work Instructions Manual including forms.

3. The GASS targets shall be as follows:

a. Budget Utilization Rate (BUR), which shall consist of:

a.1 Obligations BUR computed as obligations against all allotments available in FY 2016, including those released under the "GAA as a release document" policy; and

a.2 Disbursement BUR which is measured by the ratio of total disbursement (cash and non-cash, excluding personnel services) to total obligations for maintenance and other operating expenses (MOOE) and capital outlays (CO) in FY 2016.

The delivery units/implementing units who are responsible in the implementation of projects that resulted in the non-utilization of funds based on obligations and disbursements shall be held liable and accountable for this purpose.

b. Compliance to Public Financial Management (PFM) reporting requirements of the COA and the DBM in accordance with the prescribed content and period of submission under existing laws, rules and regulations. This includes the following:

b.1 Quarterly submission of Budget and Financial Accountability Reports (BFARs) online using the DBM's Unified Reporting System (URS) 30 days after end of each quarter, as provided in COA-DBM-DOF Joint Circular No. 2014-1 dated July 4, 2014.

b.2. The NM shall have fully complied with at least 30% of the prior years' audit recommendations, as shown in the Report on Status of Implementation of Prior Years' Recommendations of the Annual Audit Report (AAR). The objective is to improve the agency's internal control processes, operate effectiveness, and eliminate most, if not all of these audit findings are resolved and remedied by the end of 2019.

b.3 Report on Ageing of Cash Advances

b.4 COA Financial Reports (Statement of Financial Position; Statement of Financial Performance; Statement of Changes in Net Assets/Equity; Statement of Cash Flows; Statement of Comparison of Budget and Actual Amounts; and Notes to Financial Statements) per [COA Resolution No. 2014-003].

b.5. Pursuant to Item III. A of the FY 2017 President's Veto Message, Departments/Agencies are directed to ensure the obligation of programs, activities and projects funded under the FY 2017 GAA not later than December 31, 2017. Failure to do so will affect future budget

levels of the respective departments/agencies. Likewise, the Disbursements B U R of the NM should be raised.

c. Adoption and use of the FY 2017 Agency Procurement Compliance and Performance Indicators (APCPI) System per Government Procurement Policy Board (GPPB) Resolution No. 10-2012 and must meet the following requirements:

c.1 Submission of the 2017 APCPI results, complete with the following accomplished forms/annexes: (1) Annex A or the Self-Assessment Form; (2) Annex B or the Consolidated Procurement Monitoring Report; (3) Annex D or the Procurement Capacity Development Action Plan; and the Questionnaire. The APCPI Tool may be downloaded from the GPPB website using this link: <http://www.gppb.gov.ph/apcpi/apcpi.html>

c.2 The APCPI results must be submitted in electronic (Excel) format and printed (signed) copies on or before December 1, 2016, either electronically through monitoring@gppb.gov.ph or hand carried/mailed through the GPPB-TSO front desk.

C.3 The APCPI submissions through monitoring@gppb.gov.ph must indicate: "2016 APCPI initial Results of <Complete Name of Head Office/Agency>for PBB" in the subject line.

c.4 Timely submission of the APCPI and compliance with the prescribe format shall be mandatory. The list of Agencies Complying with the APCPI requirement shall be posted in the GPPB website (www.gppb.gov.ph).

d. Submission of NM Annual Procurement Plan (APP) for CY 2017 based on the agency approved budget to the GPPB and its Technical Support Office (TSO) within one month from the issuance of MC 2017-1.

d.1 APPs must be approved by the Head of the Procuring Entity and submitted within one month from the issuance of this Circular using the prescribed format under GPPB Circular No.

07-2015. A scanned copy of the APP may be sent to GPPB- TSOs email: monitoring@gppb.gov.ph.

d.2 The APP submission through monitoring@gppb.gov.ph indicate: "APP for CY 2016 of <complete name of head office/agency> for PBB in the subject line.

d.3 Timely submission of the APP, as well as compliance with the prescribed format is a must.

d.4 The list of Agencies complying with the APP submission requirement shall be posted in the GPPB website (www.gppb.gov.ph)

e. In case NM is assessed to have deficiencies in meeting its performance commitments, the Head of Agency/Executive Director may request for re-evaluation of their compliance status and submit the justification/s to warrant a reconsideration of the initial assessment results.

For the purpose of re-evaluation, justifiable reasons are factors that are considered outside of the control of the agency.

IV. GOOD GOVERNANCE CONDITIONS

1. For FY 2017, the IATF set three good governance conditions based on the performance drivers of the Results-based Performance Management System (RBPMS):

- a. Maintain/Update the Agency Transparency Seal;
- b. Maintain/Update the PHILGEPS posting; and c.
- Maintain/Update the Citizen's Charter;

2. NM Transparency Seal page should be accessible by clicking on the TS logo on the Home page. NM transparency Seal should contain the following documents:

- a. NM mandates and functions, missions, visions and list of officials;
- b. DBM approved budget and corresponding targets for FY 2017;
- c. Budget and Financial Accountability Reports;
 - c.1 FY 2013 to FY 2017 FAR No. 1: SAAOBDB
 - c.2 FY 2013 to FY 2017 Summary Report on Disbursements
 - c.3 FY 2013 to FY 2017 BAR No. 1 – Quarterly Physical Report of Operations/Physical Plan
- d. Programs/projects and activities beneficiaries as identified in the applicable provisions. If this portion is not applicable, agencies should indicate not applicable (NA);
- e. Status of implementation, evaluation and/or assessment reports;
- f. FY 2017 APP;
- g. QMS ISO Certification for at least one core process by an international certifying body approved by the IATF or ISO-aligned QMS documents; and
- h. System of Ranking Delivery units, to be posted in the agency Transparency Seal and disseminated to employees not later than October 1, 2017.

3. Assessment of agency compliance with the Good Governance Conditions and other PBB requirements shall be conducted starting October 1, 2017.

V. ELIGIBILITY OF INDIVIDUALS

1. The eligibility of the Agency Head will depend on the eligibility and performance of the NM. Their PBB shall be based on the monthly basic salary as of 31 December 2017, as follows:

Table 1

Performance of NM	PBB as % of Monthly Basic Salary
NM achieved all GGCs, and its physical	65%

targets in all MFOs, STO and GASS indicators	
NM achieved all GGCs, and has deficiency/ies in some of its physical target/s due to uncontrollable reasons	57.5%
NM achieved all GGCs, and has deficiency in one of its physical target/s due to controllable reasons	50%

Note: Head of the NM shall not be included in the ranking and reporting of delivery units but will be provided a separate line under Form 1.0.

2. Employees belonging to the First and Second Levels should receive a rating of at least “Satisfactory” based on the NHCP’s CSC approved Strategic Performance Management System (SPMS);

3. Third level officials should receive a rating of at least “Satisfactory” under the CESPES. CESPES covers all incumbents of CES positions in various agencies of the national government including GOCCs with original charters, for an uninterrupted period of at least three (3) months. Payment of PBB to Third Level officials shall be contingent on the release of results of the CESPES;

4. Other officials performing managerial and executive functions who are not presidential appointees are covered by the agency’s CSC-approved SPMS and should receive a rating of at least “Satisfactory.”

5. Personnel on detail to another government agency for six (6) months shall be included in the ranking of employees in the recipient agency that rated his/her performance. Payment of the PBB shall come from the parent agency.

6. Personnel who transferred from one government agency to another shall be rated and ranked 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.

7. An official or employee who has rendered a minimum of nine (9) months of service in FY 2017 and with at least Satisfactory rating may be eligible to the full grant of the PBB.

8. An official or employee who rendered less than nine (9) months but a minimum of three (3) months of service and with at least Satisfactory rating shall be eligible to the grant of PBB on a pro-rata basis corresponding to the actual length of service rendered, as follows:

Table 2

Length of Service	% of PBB Rate
8 months but less than 9 months	90%
7 months but less than 8 months	80%

6 months but less than 7 months	70%
5 months but less than 6 months	60%
4 months but less than 5 months	50%
3 months but less than 4 months	40%

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:

- a. Being a new hired employee;
- b. Retirement;
- c. Resignation;
- d. Rehabilitation Leave;
- e. Maternity leave and/or Paternity Leave;
- f. Vacation or Sick Leave with or without pay;
- g. Scholarship/Study Leave;
- h. Sabbatical Leave

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

10. Personnel found guilty of administrative and/or criminal cases in FY 2016 by formal and executory judgment 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.

11. Officials and employees who failed to submit the 2015 SALN as prescribed in the rules provided under CSC Memorandum Circular No. 3 (s. 2015), shall not be entitled to the FY 2016 PBB;

12. Officials and employees who failed to liquidate within the reglementary period the Cash Advances received in FY 2016 as required by the COA shall not be entitled to the FY 2016 PBB.

13. Officials and employees who failed to submit their complete SPMS Forms shall not be entitled to the FY 2016 PBB.

14. NM head should ensure that officials and employees covered by RA No. 6713 submitted their 2016 SALN to the respective SALN repository agencies, liquidated their FY 2016 Cash Advances, and completed the SPMS Forms, as these will be the basis for the release of FY 2016 PBB to individuals.

15. Officials and employees responsible for submitting COA Annual Financial Reports and Statements to include Financial Statements (FSs), Annual Financial Reports and Annual Audit Reports (AARs), shall not be entitled to the FY 2017 PBB if the Department/Agency fails to

comply with the said reporting requirements as prescribed in COA Resolution 2014-003 dated January 14, 2014 and COA Circular 2015-002 dated March 9, 2015.

16. The Head of Procuring Entity (HOPE), Chairman and Secretariat of the Bids and Awards Committee (BAC) shall not be entitled to the FY 2017 PBB if the Department/Agency fails to submit the following:

a. FY 2017 Annual Procurement Plan (APP-non CSE) to the Government Procurement Policy Board (GPPB) not later than one month after the issuance of this Circular in the format prescribed under GPPB Circular No. 07-2015

b. FY 2018 Annual Procurement Plan-Common-Use Supplies and Equipment (APP-CSE) to the DBM-Procurement Service on or before November 30, 2017.

c. Results of FY 2016 Agency Procurement Compliance and Performance Indicators (APCPI) System, per GPPB Resolution No. 10-2012, complete with the following forms: (1) APCPI – Self Assessment Form; (2) APCPI - Consolidated Procurement Monitoring Report; (3) APCPI - Procurement Capacity Development Action Plan; and the Questionnaire on or before March 31, 2017. The APCPI Tool may be downloaded from the GPPB website using this link: <http://www.gppb.gov.ph/apcpi/apcpi.html>

17. Officials and employees responsible for the non-compliance of prior years' audit recommendations shall not be entitled to the FY 2017 PBB.(See also Section 6.3.c of MC 2017-1)

18. Officials and employees responsible for the QMS certification or alignment specified in Sections 6.2.a and 6.2.b shall not be entitled to the FY 2017 PBB if the Department/Agency fails to comply with the said requirement.

19. Officials and employees responsible for posting and dissemination of the Department/Agency system of ranking performance of delivery units shall not be entitled to the FY 2017 PBB if the Department/Agency fails to comply.

VI. RANKING OF DELIVERY UNITS

1. NM and its corresponding offices/delivery units that meet the criteria and conditions in Section II are eligible to the FY 2016 PBB. Offices/delivery units eligible to the PBB shall be forced ranked according to the following categories:

Ranking	Performance Category
Top 10%	Best Office/Delivery Unit
Next 25%	Better Office/Delivery Unit
Next 65%	Good Office/Delivery Unit

2. To facilitate the ranking of delivery units, NM shall consider similarities of task and responsibilities to determine the most appropriate grouping or clustering of delivery units.
3. Only the personnel belonging to eligible offices or delivery units are qualified for the PBB.

VII. RATES OF THE FY 2017 PBB

The PBB rates of individual employees shall depend on the performance ranking of the delivery unit where they belong, based on the individual's monthly basic salary as of 31 December 2016, as follows, but not lower than Php 5,000.00:

TABLE 3

Performance Category	PBB as % of Monthly Basic Salary
Best Delivery Unit (10%)	65%
Better Delivery Unit (25%)	57.5%
Good Delivery Unit (65%)	50%

VIII. SUBMISSION OF REPORTS

1. Submit duly completed and signed forms and reports to the IATF (two hard copies and e-copy of Forms A, A-1, 1.0 and other supporting documents) through the AO 25 Secretariat which shall endorse copies to the oversight/validating agencies for review/evaluation. All forms and reports should be signed by the Agency head or the duly designated official.
2. COA financial reports including the Report on Ageing of Cash Advances shall be submitted directly to COA in accordance with the mandated period of submission. COA will provide the IATF the list of agencies that complied with this condition.
 - a. To be eligible, the NM must be able to submit the FY 2016 financial reports not later than 31 March 2017.
 - b. Meanwhile, the NM must submit to COA the Report on Ageing of Cash Advances with a cut-off date of 15 November 2017 to the respective Resident Auditors on or before 1 December 2017. Upon validation, the COA Resident Auditor will be responsible to forward the validated Report on Ageing of Cash Advances to their respective Supervising Auditor/Cluster Director for proper transmittal to the Risk Management and Budget Office, COA Head Office.
3. DBM financial reports including BFARs shall be submitted directly to DBM.
4. Certificates of compliance to the Transparency Seal, ARTA and PHILGEPS are no longer necessary since the concerned oversight agency shall be conducting validation based on the

agreed monitoring schedule. Results of the validation showing non-compliant agencies shall be posted in the RBPMS website.

5. NM should submit the FY 2017 accomplishments using Forms A and A-1, and the completed Form 1.0 on or before 15 January 2018.

6. The IATF shall conduct spot-checks to validate claims and certifications made by the NM.

IX. COMPLIANCE VALIDATION

As with the previous cycles of the PBB, the following oversight agencies are tasked to conduct the validation of compliance with the PBB requirement:

PBB REQUIREMENT	VALIDATING AGENCY
Transparency Seal	DBM-OCIO
PHILGEPS Posting	PHILGEPS
Citizen's Charter	CSC
Submission of SALN of employees	Office of the President, Office of the Ombudsman and SCS <i>Note: The SALN validating agencies shall provide the list of SALN non-filers</i>
MFO-Physical Accomplishments	OP-OES
STO- accomplishments QMS Certification or ISO - aligned QMS documentation STO identified by agency	GQMC DBM-BMB B
GASS <ul style="list-style-type: none"> - BUR - Public Financial - Management Reports - Submission of Financial - Statements, Ageing of Cash - Advance Report - BFARs 	DBM- BMB V DBM COA DBM and COA
<ul style="list-style-type: none"> - APCPI - Submission of APP 	GPPB-TSO
<ul style="list-style-type: none"> - Agency Rating and Ranking Report 	DBM-OPCCB and DBM-NCR

X. EFFECT OF NON-COMPLIANCE

1. Agencies that are unable to comply with all the good governance conditions shall be considered ineligible for the FY 2017 PBB.

2. Prohibited Acts: An agency, which, after due process by the oversight agency, has been determined to have committed the following prohibited acts, shall be disqualified from the PBB in the succeeding year of its implementation. Moreover, the CSC or Ombudsman shall file the appropriate administrative case:

a. Misrepresentation in the submitted reports required for the PBB, commission of fraud in the payment of the PBB, and violation of the provisions of MC 2017-1

b. Evenly distributing the PBB among employees in an agency, in violation of the policy of paying the PBB based on the ranking of delivery units.

XI. TIMELINE FOR FY 2017 IMPLEMENTATION

ACTIVITY	DEADLINE
Submission of FY 2016 Financial Reports to COA	On or before 31 March 2017
Posting of agency system of ranking delivery units	On or before 30 October 2017
Submission of Report on Ageing of Cash Advance Liquidation	On or before 1 December 2017
Submission of Certificate of Compliance with PHILGEPS (with 15 November 2017 as cut off)	On or before 1 December 2017
Note: Certificate of Compliance for Transparency Seal, Citizen's Charter and PhilGEPS posting will not be submitted to DBM-OCIO, CSC and PhilGEPS. Assessment will be conducted by the validating agencies starting 1 October 2017. Agencies should ensure compliance to the requirements.	
Submission of accomplishments using Forms A, A-1 and Form 1.0 with 31 December 2017 as cut-off date	On or before 15 January 2018
Submission of BFARs to COA and DBM	30 Days or one month after the end of each quarter

Submission of 2016 APCPI Self-Assessment	On or before 1 December 2016
Submission of 2017 APP	For purposes of FY 2017 PBB, submit within one month from the issuance of MC 2017-1
Validation of QMS Certification or the ISO aligned QMS documentation	On or before 15 January 2018
Validating of 2nd STO indicator as identified by head of agency	On or before 15 January 2018

XII. SYSTEM OF RANKING DELIVERY UNITS AND INDIVIDUAL:

Criteria in Ranking Delivery Units:

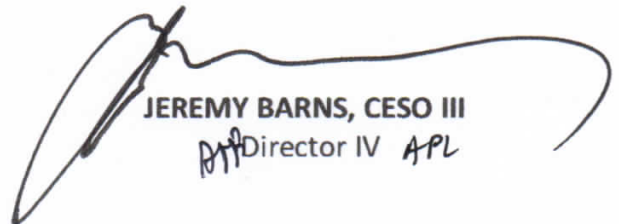
Criteria	Percent (%)Allocation
2017 OPCR Accomplishment Overall Rating	90%
Director's Rating	10%
TOTAL	100%

Distribution of Slots for PBB Ranking of

Delivery Units	Best (10%)	Better(25%)	Good(65%)
19	2	5	12

XIII. EFFECTIVITY:

This memorandum shall take effect immediately.


JEREMY BARNES, CESO III
 Director IV *APL*