



Funding the Republic

REPUBLIKA NG PILIPINAS
KAGAWARAN NG PANANALAPI
KAWANIHAN NG INGATANG-YAMAN
(BUREAU OF THE TREASURY)
Intramuros, Manila

TREASURY OFFICE ORDER NO. 15 - 2021
September 17, 2021

**GUIDELINES ON THE GRANT OF PERFORMANCE-BASED BONUS (PBB)
FOR FY 2021**

1.0 PURPOSE

This Treasury Office Order is being issued to prescribe the criteria and conditions on the grant of the Performance-Based Bonus (PBB) for FY 2021 to officials and employees of the Bureau of the Treasury (BTr) pursuant to Memorandum Circular No. 2021-1 of the Inter-Agency Task Force on the Harmonization of National Government Performance Monitoring, Information and Reporting System (Administrative Order No. 25).

For FY 2021 cycle, the PBB criteria and conditions were hence refined in order to:

- a. Simplify the PBB process particularly the validation of compliance;
- b. Provide flexibility to the agencies in the implementation of the scheme;
- c. Reinforce the results focus and their inter-linkages e.g., budget utilization and physical accomplishment, in assessing the overall performance of agencies;
- d. Administer a more transparent PBB scoring system;
- e. Strengthen the role of agencies in ensuring accountability of units/individuals responsible for the criteria and conditions; and,
- f. Facilitate the timely release of incentives to eligible agencies.

In line with this, the FY 2021 PBB shall measure and evaluate the performance of BTr with emphasis on the public's satisfaction on the realization of its performance targets, quality of service delivery, efficiency in the use of resources, and strengthened stewardship.

The FY 2021 PBB criteria and conditions shall be categorized according to four (4) dimensions of accountability: **Performance Results, Process Results, Financial Results, and Citizen/Client Satisfaction Results.**

This Office Order also specifies the modifications in the PBB assessment process to make the PBB Scoring System clear and explicit. The scoring system aims to simplify and make the final eligibility assessment more transparent, and enable agencies to undertake self-assessment vis-a-vis the criteria and conditions to ascertain if they could qualify for the grant of the FY 2021 PBB. However, the AO 25 IATF shall still determine the final eligibility of BTr.

ISO 9001:2015 Quality Management System
Certificate No. SCP000233Q



2.0 COVERAGE

This guideline covers identified eligible Delivery Units (DUs) of the Bureau of the Treasury and its officers and employees that comply with the requirements and conditions for the grant of FY 2021 PBB.

BTr employees holding regular, contractual, and casual positions are covered by this Office Order. Excluded from the coverage herein are individuals engaged without employer-employee relationship and funded from non-Personnel Services (PS) budget.

3.0 ELIGIBILITY

To be eligible for the grant of the FY 2021 PBB, each agency must satisfy the criteria and conditions under the **four dimensions of accountability** and attain a **total score of at least 70 points** based on the PBB Scoring System

- a. **Performance Results** - refer to the accomplishment of the Congress-approved performance targets under the Performance-Informed Budgeting (PIB) of the FY 2021 General Appropriations Act (GAA).
- b. **Process Results** - refer to the achievements in ease of doing business/ease of transaction with the agency as a result of streamlining, standardization i.e., through the ISO-certified QMS or its equivalent, digitization, and related improvements in the delivery of services.
- c. **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 FY 2021 GAA. The Disbursements BUR as well is a prevailing common target of all agencies.
- d. **Citizen/Client Satisfaction Results** - refer to the achievements in satisfying the quality expectations of the transacting public.

For FY 2021, the Good Governance Conditions (GGCs) shall no longer be included in the criteria to assess the overall eligibility of the agency. Nonetheless, compliance with these conditions shall still be used to determine the eligibility of responsible units and individuals. *See Section 5.0 for details on Agency Accountabilities.*

4.0 FY 2021 PBB TARGETS, ASSESSMENT, AND SCORING SYSTEM

The agency accomplishments for each of the criteria shall be rated using a scale of 1 to 5 (where 5 is the highest). The maximum score that may be obtained by the agency is 100 points. To be eligible for the FY 2021 PBB, **the BTr must attain a total score of at least 70 points.** Each criterion has an assigned weight, as shown in Table 1.

TABLE 1: FY 2021 PBB SCORING SYSTEM						
CRITERIA AND CONDITIONS	WEIGHT	PERFORMANCE RATING				
		1	2	3	4	5
Performance Results	5	5 pts	10 pts	15 pts	20 pts	25 pts
Process Results	5	5 pts	10 pts	15 pts	20 pts	25 pts
Financial Results	5	5 pts	10 pts	15 pts	20 pts	25 pts
Citizen/Client Satisfaction Results	5	5 pts	10 pts	15 pts	20 pts	25 pts
TOTAL SCORE	MAXIMUM = 100 POINTS					

To be able to attain a total score of at least 70 points, BTr should aim for a performance rating of 4 in at least three (3) criteria since a performance rating of 4 in all criteria will yield a total score of 80 points for the agency.

In such case, while the BTr will be eligible, the unit most responsible for the criteria with a **performance rating of below 4 will be isolated** from the grant of the FY 2021 PBB.

4.1 Performance Results

The targets under Performance Results will enable BTr to concentrate its efforts and available resources on its mandates and core functions, as well as ensure delivery of high quality and high impact activities.

To be eligible for FY 2021 PBB, BTr shall achieve each one of the Congress-approved performance targets under the PIB of the FY 2021 GAA.

The agency performance in the achievement of targets shall be closely monitored through **the use of the submitted Unified Reporting System (URS)** - generated **Budget and Financial Accountability Reports (BFARs)**. The quarterly BFARs of the agencies, as uploaded in the DBM URS **shall be submitted in a timely manner, i.e., within thirty (30) days after the end of each quarter**, as provided under *Item 3.15.2 of National Budget Circular No. 583, pursuant to Section 90, General Provisions of Republic Act No. 11518 (FY 2021 GAA)*. BFARs will be used to monitor and validate agency accomplishments. The 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 2021; deficiencies due to controllable factors	Met less than 80% of performance indicators of the Congress-approved performance targets for FY 2021; deficiencies due to uncontrollable factors	Met at least 80% of performance indicators of the Congress-approved performance targets for FY 2021; deficiencies due to controllable factors	Met at least 80% of performance indicators of the Congress-approved performance targets for FY 2021; deficiencies due to uncontrollable factors	Met each one of the Congress approved performance targets for FY 2021 (all performance indicators)

4.2 Process Results

For departments/agencies and GOCCs covered by the DBM, the target under Process Results is the greater ease of transaction of frontline services covering **all government-to-citizens (G2C), government-to-businesses (G2B), and government-to-government (G2G) transactions.**

This may be achieved through:

- a. Streamlining, especially of frontline services;
- b. Standardization of frontline processes including those implemented at the Regional, Satellite, and Extension Offices;
- c. Digitization e.g., by developing electronic or online paperless systems, new service delivery channels, contactless transactions, and other process improvements for faster and more efficient public service delivery.

BTr should report and provide the objectively verifiable evidence of their achievements in ease of doing business or ease of transaction from the perspective of the transacting public.

The ISO-certified QMS or its equivalent certification for frontline services, service delivery standards manual, and the like may be used as evidence to the standardization achievements of BTr.

The Process Results shall be assessed and scored as follows:

TABLE 3: RATING SCALE FOR PROCESS RESULTS					
AGENCY	1	2	3	4	5
For departments/agencies and GOCCs covered by the DBM	No demonstrated ease of transaction	Achieved targets to ease transaction (streamlining, digitization, standardization) only for non-frontline services	Achieved targets to ease transaction (streamlining, digitization, standardization) in less than 80% of frontline services	Achieved targets to ease transaction (streamlining, digitization, standardization) in at least 80% of frontline services	Achieved targets to ease transaction (streamlining, digitization, standardization) in all frontline services

4.3 Financial Results

Targets under Financial Results reflect final payments made from the agency's annual budget allotment to realize their committed programs and projects based on the valid appropriations for FY 2021. Hence for FY 2021, BTr shall accomplish the following Disbursements BUR:

- a. **Disbursements BUR** is measured by the ratio of total disbursements (cash and non-cash, excluding PS) to the total obligations for MOOE and CO made in 2021, net of goods and services obligated by December 31, 2020, but paid only in 2021. The **total obligations for MOOE and CO** shall refer to those made from the FY 2021 GAA, FY 2020 GAA, and Bayanihan II appropriations

due to their extension under RA No. 11519 and RA No. 11520. The objective is to measure the disbursements for the obligations for MOOE and CO made in 2021 from all valid appropriations.

These shall be net of transfers to the Procurement Service (PS), the Philippine International Trading Corporation (PITC), and implementing agencies and units which have still to be implemented and outputs delivered. Hence:

$$\text{Disbursements BUR} = \frac{\text{Total Disbursements (cash and non-cash, excluding PS), net of payments made in 2021 for past years' obligations}}{\text{Total Obligations (excluding PS, from valid appropriations)}}$$

Where Total Disbursements is net of transfers to PS, PITC, and other implementing agencies which have not been delivered

- c. Agencies with fund transfers either for operating or program subsidies or both, shall also achieve and report the same Disbursements BUR for NGAs for all the subsidy releases for 2021 from the three appropriations sources above. The requirements under the Financial Results shall be scored as follows:

TABLE 4: RATING SCALE FOR 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

4.4 Citizen/Client Satisfaction Results

NGAs, GOCCs covered by the DBM, and SUCs shall accomplish and submit reports on the Citizen/Client Satisfaction Survey (CCSS), and resolve all reported complaints from Hotline #8888 and Contact Center ng Bayan (CCB);

- a. To determine the effectiveness of streamlining, standardization, digitization, and other process improvements in easing transactions with the public, agencies have been encouraged to embed feedback mechanisms and systematically measure citizen/client satisfaction in the delivery of services since the FY 2018 cycle.

To provide evidence on the citizen/client satisfaction results, agencies may report the results of the CCSS following Annex 4: Citizen/Client Satisfaction Survey.

- b. Agencies shall ensure resolution of all complaints and grievances on government service procedures, acts of red tape, corruption, and/or other interferences to public service delivery by any government agency, individuals, or instrumentalities reported to Hotline #8888 and CCB. To provide evidence on this, agencies may submit a report summarizing the #8888 and CCB complaints received in FY 2021 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 OP, PMS, CSC, and PCOO from Hotline #8888 and CCB databases, as well as the FOI portals.

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

TABLE 5: RATING SCALE FOR CITIZEN/CLIENT SATISFACTION RESULTS				
1	2	3	4	5
No submission/ Did not conduct CCSS	Average to low satisfaction rate with unresolved #8888/CCB complaints	Average satisfaction rate with 100% #8888/CCB complaints resolved	High satisfaction rate with 100% #8888/CCB complaints resolved	High satisfaction rate without #8888/CCB complaints

5.0 AGENCY ACCOUNTABILITIES

To sustain the institutionalization of compliance to existing government-mandated laws and standards, the Bureau shall continue to implement, monitor, and enforce compliance with the following requirements:

a. Updating of Transparency Seal	e. Submission and Review of SALN
b. Compliance with the Freedom of Information (FOI) Program	f. PhilGEPS posting of all invitations to bids and awarded contracts
c. Updating of Citizen's or Service Charter	g. Submission of FY 2022 Annual Procurement Plan-Common Use Supplies and Equipment (APP-CSE), FY 2021 Non-Common Use Supplies and Equipment (APP-non CSE), Indicative FY 2022 APP, and the results of FY 2020 Agency Procurement Compliance and Performance Indicators (APCPI) System
d. Compliance to Audit Findings and Liquidation of Cash Advances	h. Undertaking of Early Procurement Activities covering 2022 Procurement Projects

While the above 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. Agencies should submit these legal requirements directly to the oversight agencies.

6.0 ELIGIBILITY OF DELIVERY UNITS AND INDIVIDUALS

6.1 **For FY 2021 PBB, the delivery units (DUs) of BTr shall no longer be ranked.** However, the unit/s most responsible for deficiencies shall be isolated.

- a. Based on Table 1, to be eligible for the FY 2021 PBB, the agency must attain a **total score of at least 70 points**. To be able to attain at least 70 points, the agency should achieve a performance rating of 4 in at least three (3) criteria. In such case, while the agency will be eligible, the unit/s most responsible (including its head) for the criteria stated in Section 3.0 with a performance rating of below 4 will be isolated from the grant of the FY 2021 PBB.
- b. The unit/s most responsible (including its head) for the non-compliance with the Agency Accountabilities provided in Section 5.0 will also be isolated from the grant of the FY 2021 PBB.

- 6.2 **Eligible DUs shall be granted FY 2021 PBB at uniform rates across the agency, including its officials and employees.** The corresponding rates of the PBB shall be based on the agency's achieved total score as shown in Section 7.0.
- 6.3 Department Secretaries, Heads of OEOs, Chairpersons, and Commissioners of Constitutional Offices, Heads of Attached Agencies, Presidents of SUCs, and non-ex officio Heads of GOCCs covered by the DBM are eligible only if their respective agencies are eligible. If eligible, their PBB rate for FY 2021 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, 2021.
- 6.4 To be eligible for FY 2021 PBB, employees belonging to the First, Second, and Third Levels should receive a rating of at least "Very Satisfactory" based on the agency's CSC-approved Strategic Performance Management System (SPMS) or the requirement prescribed by the CESB.
- 6.5 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.
- 6.6 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.
- 6.7 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 official/employee shall be eligible for the grant of the PBB on a pro-rata basis corresponding to the actual length of service to the participating implementing agency, as stated in Section 6.11.
- 6.8 An official or employee who has rendered a minimum of nine (9) months of service during the fiscal year and with at least a Very Satisfactory rating may be eligible for the full grant of the PBB.
- 6.9 An official or employee who rendered less than nine (9) months but a minimum of three (3) months of service and with at least a Very Satisfactory rating shall be eligible for the grant of the PBB on a pro-rata basis corresponding to the actual length of service rendered, as follows:

LENGTH OF SERVICE	% OF PBB
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 newly 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; and/or
- h. Sabbatical Leave.

- 6.10 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.
- 6.11 Personnel found guilty of administrative and/or criminal cases by final and executory judgment in FY 2021 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.
- 6.12 Officials and employees who failed to submit the 2020 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 2021 PBB.
- 6.13 Officials and employees who failed to liquidate all cash advances received in FY 2021 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 2021 PBB.

7.0 RATES OF THE PBB

The total score as stated in Section 4.0 shall be the basis in determining the amount of the PBB an agency is eligible for. The maximum rate of the PBB for agencies that will achieve 100 points shall be 100% of the 65% monthly basic salary (MBS) of an individual as of December 31, 2021. For illustration, see Table 6 below:

TABLE 6: RATES OF THE PBB	
TOTAL SCORE	PBB RATES
100 points	65% (100% of the 65% monthly basic salary)
95 points	61.75% (95% of the 65% monthly basic salary)
90 points	58.5% (90% of the 65% monthly basic salary)
85 points	55.25% (85% of the 65% monthly basic salary)
80 points	52% (80% of the 65% monthly basic salary)
75 points	48.75% (75% of the 65% monthly basic salary)
70 points	45.5% (70% of the 65% monthly basic salary)

8.0 TIMELINES AND SUBMISSION/POSTING OF REPORTS AND REQUIREMENTS

- 8.1 The quarterly BFARs of BTr, as uploaded in the DBM URS, shall be submitted in a timely manner, i.e., within thirty (30) days after the end of each quarter, as provided under Item 3.15.2 of National Budget Circular No. 583, pursuant to Section 90, General Provisions of Republic Act No. 11518 (FY 2021 GAA). BFARs will be used to assess and validate Performance Results.
- 8.2 BTr should submit evidence of accomplishments of Performance Results, Process Results, Financial Results, and Citizen/Client Satisfaction Results (as provided in Section 4.0) **on or before February 28, 2022**. Agencies are encouraged to make an electronic submission (scanned copy of the official submission and editable MS Word or Excel files for use of the AO 25 Secretariat).
- 8.3 BTr shall ensure that all explanations and justifications for deficiencies are already attached in its submission.
- 8.4 The AO 25 IATF shall conduct spot checks to validate claims and certifications made by the agencies on their submitted/posted reports and/or requirements.
- 8.5 BTr shall to provide information to the AO 25 Secretariat on compliance with the Agency Accountabilities provided in Section 5.0.

9.0 EFFECTS OF NON-COMPLIANCE

BTr, which, after due process by the oversight agency has been determined to have committed a prohibited act, shall be disqualified from the PBB in the succeeding year of its implementation.

Moreover, the CSC or Ombudsman shall file the appropriate administrative case for misrepresentation in the submitted/posted reports and requirements for the PBB, a commission of fraud in the payment of the PBB, and violation of the provisions of this Office Order.

To enhance the implementation of the internal communications strategy on the PBB, it shall be the responsibility of supervisors to engage their respective employees in understanding the PBB, the performance targets of BTr as well as the services and outputs that they will need to deliver to meet these targets.

10.0 EFFECTIVITY

This Treasury Office Order shall take effect immediately. All other issuances inconsistent herewith are hereby deemed revoked and/or modified accordingly.


ROSALIA V. DE LEON
Treasurer of the Philippines