REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE
Quezon City

November 6, 2013

REVENUE MEMORANDUM ORDER NO. 31-2013

TO : **All Revenue Officials Concerned**

SUBJECT : **Prescribing the Inter-Agency Task Force Memorandum Circular (MC) Nos. 2013-01 and 2013-01-A re: Guidelines on the Grant of the Performance-Based Incentives for FY 2013 under Executive Order No. 80**

I. BACKGROUND

President Benigno S. Aquino III has issued Executive Order No. 80 dated July 20, 2012, directing the adoption of the Performance-Based Incentive System (PBIS) for Government Employees. The PBIS consists of the P 5,000 across-the-board in the form of the existing Productivity Enhancement Incentive (PEI) and a top-up bonus known as the Performance-Based Bonus (PBB). This PBB shall be given to a government employee in accordance with his/her contribution to the accomplishment of the Department/Agency's overall targets and commitments. The implementation of the PBB started in CY 2012.

II. OBJECTIVE

This Order is issued to prescribe the Policies, Guidelines, and Procedures in the implementation of the Performance-Based Incentive System and the criteria and conditions for the grant of PBB in FY 2013.

III. POLICIES AND GUIDELINES

1. All officials and employees of Departments/Agencies, State Universities and Colleges (SUCs), Government Owned and Controlled Corporations (GOCCs) holding regular plantilla positions, and contractual and casual personnel having an employer-employee relationship with the said agencies, and have rendered at least nine (9) months of service for the year 2013.

2. The PBB is characterized by a two-step system of ranking the offices under a Department and the employees within the offices according to their performance as measured by verifiable and credible indicators of performance based on the pillars of the Results-Based Performance Management System (RBPMS):

   2.1 Department's/Agency's MFO and Performance Targets as specified in its Organizational Performance Indicators Framework (OPIF) and consistent with the targets reflected in the 2013 Approved Budget;

   2.2 Department's/Agency's commitments to the President that are supportive of the priorities under Executive Order No. 43; and

   2.3 Good Governance conditions based on the performance drivers by the Administrative Order (AO) 25 Inter-Agency Task Force.

3. The Department/Agency/Unit shall be eligible for the Performance-Based Bonus, provided that the following criteria shall be satisfied:

   3.1 Achieve at least 90% of each one of the performance targets for the delivery of MFOs, Support to Operations (STO), and General Administration and Support Services (GASS);

   3.2 Achieve at least 90% of each one of the priority program/project targets under the five (5) Key Result Areas (KRAs) of Executive Order No.43;

   3.3 Satisfy 100% of the Good Governance conditions set by the Inter-Agency Task Force for CY 2013; and

   3.4 Ranking of performance of bureaus/delivery units and the personnel within the bureaus/delivery units.

4. For FY 2013, inability to meet any of the targets in item no. 2 of this Section, will render departments/agencies ineligible for the PBB. Inconsistency and inaccuracy of the compliance reports/certification made by the department/agency may also be considered a ground for disqualification to the PBB, upon proper determination and due process.

5. The qualified agencies, bureaus, offices or delivery units shall be ranked as follows:

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

6. In determining eligibility of personnel for the PBB, the following shall be observed:

   6.1 Employees belonging to the First and Second Levels should receive a rating of at least "Satisfactory" under the existing Performance Evaluation System;

   6.2 Officials belonging to the Third Level should receive a rating of at least "Very Satisfactory" under the Career Executive Service Performance Evaluation System (CESPES). Payment of the PBB to Third Level Officials shall be contingent on the results of CESPES;

   6.3 The contractual and casual personnel who may be entitled to the PBB shall be those compensation are charged to the lump sum appropriation under Personnel Services; or those occupying positions in the DBM-approved contractual staffing pattern of the agencies concerned. They may be included in the ranking along with the regular personnel;

   6.4 Personnel on detail to another government agency for six (6) months or more as of November 30, 2013 shall be included in the ranking of employees in the recipient agency that rated his/her performance;

   6.5 Personnel on scholarship may be included in the ranking, provided they qualify based on the performance criteria established by the Performance Management Group of the Department/Agency and approved by the Department Secretary/ Head of Agency; and

   6.6 Personnel found guilty of administrative and/or criminal cases filed against them and meted penalty in FY 2013 shall not be entitled to the FY 2013 PBB. If the penalty meted out is a reprimand, such penalty shall not cause the disqualification to the PBB.

7. Officials and employees of bureau, offices or delivery units that qualified for the PBB shall be forced ranked, as follows:

For the best and better bureaus:	
Ranking	**Individual Performance Category**
Top 15%	Best Performer
Next 30%	Better Performer
Next 55%	Good Performer
For the good bureaus:	
Ranking	**Individual Performance Category**
Top 10%	Best Performer
Next 25%	Better Performer
Next 65%	Good Performer

IV. PROCEDURES

1. The BIR shall prepare the following matrices using the Forms prescribed in the Inter-Agency Task Force Memorandum Circular No. 2013-1 dated August 1, 2013, signed by DBM Secretary Florencio B. Abad:

   1.1 Form A – Cascading of the Department/Agency Performance Targets

   1.2 Form A-1 – Details of Bureau/Office Performance Indicators and Targets

   1.3 Form B – Department Targets on Key Programs and Projects Targets

   These Forms shall be submitted to the Department of Finance for their consolidation with all the Agencies under their jurisdiction.

2. The Offices concerned shall prepare and submit annual accomplishment report, depending on the cut-off dates prescribed, relative to the following performance indicators:

Performance Indicators (PIs)	Person Responsible	Submitted To	Date of Submission		
			Cut-off Dates of Reports on PIs		
			11/30/13	12/31/13	3/31/14
A. Major Final Output (MFO) 1. Collection ➢ Collection Report (Actual Collection vs Goal)	Revenue District Officers (RDOs) LTDO LTS Divisions with collection performance	Regional Director (RD) ACIR, LTS	December 3, 2013	January 3, 2014	April 3, 2014
➢ Consolidated Regional/LTS Collection Report	RDs ACIR, LTS	DCIR, Operations Group	December 5, 2013	January 5, 2014	April 5, 2014
➢ BIR Collection Performance for CY 2013	DCIR, Operations Group through ACIR, Collection Service	CIR, copy furnished ACIR, Planning and Management Service (PMS)	December 7, 2013	January 7, 2014	April 7, 2014
➢ Consolidated accomplishments on Form A and Form B	Chief, Planning and Programming Division (PPD)	CIR, thru channels DOF Secretary	December 9, 2013 December 10, 2013	January 9, 2014 January 10, 2014	April 9, 2014 April 10, 2014
2. Collection Growth ➢ Collection Report 2013 Actual Collection vs 2012 Actual Collection)	RDOs LTDOs and Chief, LTS Divisions with collection performance	RD ACIR, LTS	December 3, 2013	January 3, 2014	April 3, 2014
➢ Consolidated Regional/LTS Collection Report	Regional Director ACIR, LTS	DCIR, Operations Group	December 5, 2013	January 5, 2014	April 5, 2014

Performance Indicators (PIs)	Person Responsible	Submitted To	Date of Submission		
			Cut-off Dates of Reports on PIs		
			11/30/13	12/31/13	3/31/14
➢ BIR Collection Performance for CY 2013	DCIR Operations Group thru ACIR Collection Service	CIR, copy furnished ACIR, PMS	December 7, 2013	January 7, 2014	April 7, 2014
➢ Consolidated accomplishments on Form A and Form B	Chief, PPD	CIR, thru channels DOF Secretary	December 9, 2013 December 10, 2013	January 9, 2014 January 10, 2014	April 9, 2014 April 10, 2014
B. Support to Operations Frequency of filing of Cases with DOJ					
➢ Report on RATE cases filed with DOJ	RATE Task Force	DCIR, Legal Group	December 3, 2013	January 3, 2014	April 3, 2014
➢ Validated Report on RATE cases	DCIR, Legal Group	CIR, copy furnished ACIR, PMS	December 5, 2013	January 5, 2014	April 5, 2014
➢ Consolidated accomplishments on Form A and Form B	Chief, PPD	CIR, thru channels DOF Secretary	December 9, 2013 December 10, 2014	January 9, 2014 January 10, 2014	April 9, 2014 April 10, 2014
C. General Administration and Support Services (GASS) 1. Budget Utilization Rate					
➢ Consolidated Report on Budget Utilization Rate	Chief, Budget Division and Chief, Accounting Division	ACIR, PMS	December 5, 2013	January 5, 2014	April 5, 2014
➢ Consolidated accomplishments on Form A and Form B	Chief, PPD	CIR, thru channels DOF Secretary	December 9, 2013 December 10, 2013	January 9, 2014 January 10, 2014	April 9, 2014 April 10, 2014
2. Submission of Financial Statements to the Commission on Audit (COA)					

Performance Indicators (PIs)	Person Responsible	Submitted To	Date of Submission		
			Cut-off Dates of Reports on PIs		
			11/30/13	12/31/13	3/31/14
➢ Submission of Report on Financial Statements	RD/ Chief, Finance Division	Chief, Accounting Division Chief, Revenue Accounting Division	December 5, 2013	January 5, 2014	April 5, 2014
➢ Consolidated Report on Financial Statements	Chief, Accounting Division Chief, Revenue Accounting Division	ACIR, PMS	December 7, 2013	January 7, 2014	April 7, 2014
➢ Consolidated accomplishments on Form A and Form B	Chief, PPD	CIR, thru channels DOF Secretary	December 9, 2013 December 10, 2013	January 9, 2014 January 10, 2014	April 9, 2014 April 10, 2014

3. Good Governance Condition

3.1 In line with the required 100% compliance on good governance conditions set by the Inter-Agency Task Force (IATF) under Section 6.0 of the aforementioned MC for FY 2013, for agencies to be eligible for CY 2013 PBB, all concerned officials are hereby directed to comply with the prescribed deadlines in the preparation of reports, submission of these reports to Internal Communication Division **(ICD)** and posting of said reports either by the ICD or the responsible office.

Good Governance Conditions	Responsible Office			
	Preparation of Report	Submission Deadline	Posting of Report	Deadline of Posting
A. **Posting** in the BIR's website under the Transparency Seal of the following reports: 1. Agency's mandates and functions, name of its officials with their positions and designation and contact information:				

Good Governance Conditions	Responsible Office			
	Preparation of Report	**Submission Deadline**	**Posting of Report**	**Deadline of Posting**
• Agency's mandates and functions	Planning and Management Service	**To ICD:** Not later than January 10 of each year	Systems Development Division (SDD) thru ICD	Not later than January 15 of each year
• Name of officials. positions, designation and contact information	Human Resource Development Service	**To ICD:** Monthly - Not later than the 10th day of the following month	SDD thru ICD	Monthly -Not later than the 10th day of the following month
2. Statement of Allotments and Obligations for 2011 and 2012 (consolidated)	Budget Division (BD)	**To ICD:** Within 8 working hours after receipt by DBM of the 2012 report	SDD thru ICD	Within 2 working days upon receipt from BD
3. Financial Accountability Reports (FARs) for 2013				
• Statement of Appropriations, Allotments, Obligations, Disbursements and Balances (consolidated)	Finance Division (FD)	**To BD and AD:** Every 10th day of the following quarter		
• Detailed Statement of Current Year's Obligations, Disbursements and Unpaid Obligations (consolidated)	Accounting Division (AD)	**To BD:** Every 15th day of the following quarter		
	BD	**To AD:** Every 5th day of the following quarter		
	BD	**To DBM & COA:** Every 30th day of the		

Good Governance Conditions	Responsible Office			
	Preparation of Report	Submission Deadline	Posting of Report	Deadline of Posting
		following Quarter		
	BD	**To ICD for posting:** Within 8 working hours after receipt by DBM	SDD thru ICD	Within 2 working days upon receipt from BD
• List of Agency Budget Matrix (ABM)/SAROs and Sub-Allotment Advice (consolidated)	FD	**To BD:** Every 10th day of the following quarter		
	BD	**To DBM & COA:** Every 30th day of the following Quarter		
	BD	**To ICD for posting:** Within 8 working hours after receipt by DBM	SDD thru ICD	Within 2 working days upon receipt from BD
• Summary of Prior Year's Obligations, Disbursements and Unpaid Prior Year's Obligations (consolidated)	FD	**To AD:** Every 10th day of the following quarter		
	AD	**To DBM & COA:** Every 30th day of the following Quarter		
	AD	**To ICD for posting:** Within 8 working hours after receipt by DBM	SDD thru ICD	Within 2 working days upon receipt from AD

Good Governance Conditions	Responsible Office			
	Preparation of Report	**Submission Deadline**	**Posting of Report**	**Deadline of Posting**
• Summary Report of Disbursements (consolidated)	FD	**To AD:** Every 10th day of the following quarter		
	AD	**To DBM & COA:** Every 30th day of the following Quarter		
	AD	**To ICD for posting:** Within 8 working hours after receipt by DBM	SDD thru ICD	Within 2 working days upon receipt from AD
• Physical Report of Operation (consolidated)	Regional/ District Offices & Concerned Offices of the National Office	**To Measure Owners :** Every 10th day of the following quarter		
	Planning and Programming Division (PPD)	**To BD:** Every 20th day of the following quarter		
	BD	**To DBM:** Every 30th day of the following Quarter		
	BD	**To ICD for posting:** Within 8 working hours after receipt by DBM	SDD thru ICD	Within 2 working days upon receipt from BD

Good Governance Conditions	Responsible Office			
	Preparation of Report	**Submission Deadline**	**Posting of Report**	**Deadline of Posting**
• Quarterly Report of Income	Revenue Accounting Division (RAD)	**To BD:** Every 20th day of the following quarter		
	BD	**To DBM:** Every 30th day of the following Quarter	SDD thru ICD	Within 2 working days upon receipt from BD
	BD	**To ICD for posting:** Within 8 working hours after receipt by DBM		
4. Approved budget for 2013 and Physical Plan/MFO targets(consolidated):			SDD thru ICD	Within 2 working days upon receipt from BD
• Approved budget	BD	**To ICD for posting:** Within 2 working days upon receipt of GAA		
• MFO targets	PPD	**To BD:** 7 working days before the prescribed deadline		
	BD	**To DBM:** On or before the prescribed deadline	SDD thru ICD	Within 2 working days upon receipt from BD
	BD	**To ICD for posting:** Within 8 working hours after		

Good Governance Conditions	Responsible Office			
	Preparation of Report	**Submission Deadline**	**Posting of Report**	**Deadline of Posting**
5. Major programs and projects classified according to the five Key Result Areas	PPD	receipt by DBM **To ICD:** Not later than January 10 of each year	SDD thru ICD	Within 2 working days upon receipt from PMS
6. Status of Implementation of major programs/projects	Project Proponent (PP)/ Process Owner	**To PMS:** Monthly – Every 5th day of the following month		
	PPD	**To ICD:** Monthly – Every 10th day of the following month	SDD thru ICD	Within 2 working days upon receipt from PMS
7. Annual Procurement Plan, name of suppliers/ contractors/consultants	Procurement Division (PD) Administrative Division (AD)	N.A. N.A.	PD AD	Monthly – Every 5th day of the following month
B. Maintain/Update the posting of all invitations to Bid and awarded contracts in the Philippine Government Electronic Procurement System (PhilGEPS) per RA 9184	PD AD	N.A. N.A.	PD AD	Within 3 working days after issuance of Notice to Proceed
C. Liquidation of all cash advances to officials and employees within the reglementary period covering transactions of FY 2013, per requirement of the Commission on Audit (COA). The Department/agency shall submit directly to COA the	AD FD	**To COA:** On or before the prescribed deadline	N.A.	N.A.

Good Governance Conditions	Responsible Office			
	Preparation of Report	**Submission Deadline**	**Posting of Report**	**Deadline of Posting**
Report on Ageing of Cash Advances duly signed by the Agency Head, Head of Accounting Office and verified by the Agency's Resident COA Auditor.				
D. Update the department's/ agency's Citizen's Charter or its equivalent. Service Charter, to reflect improvements in the service delivery as mandated by RA 9485 and post the Citizen's Charter or its equivalent in the department/agency website	Client Support Service (CSS) Concerned Regional/ District Office	N.A. N.A.	SDD thru ICD Concerned Regional/ District Office	Monthly – Every 5th day of the following month
E. Compliance with submission and review of the Statement of Assets, Liabilities and Net Worth (SALN) of officials and employees per RA 6713.	Personnel Division (PerD) Human Resource Management Unit (HRMU)	**To CSC:** On or before the prescribed deadline	N.A.	N.A.
F. Compliance Certificate on the following: • Agency Transparency Seal following the template in **Annex 6 of IATF MC No. 2013-01.** • PhilGEPS compliance for FY 2013 to be issued by the BAC Chairman, and the Head of the Procuring Entity following the template in **Annex 7 of IATF MC No. 2013-01.** ***(Note: cut-off dated for***	ICD BAC Secretariat (National Office and concerned Regional Office)		N.A.	N.A

Good Governance Conditions	Responsible Office			
	Preparation of Report	Submission Deadline	Posting of Report	Deadline of Posting
transactions covered in the certification is November 15, 2013)				
• Cash Advance liquidation through the report on aging of cash advances to officials and employee back in FY 2013 following the template **in Annex 8 of IATF MC No. 2013-01.** ***(Note: cut-off date for transactions covered in the certification is November 15, 2013)***	Accounting Division Finance Division			
• Updating of the Citizen's Charter or its equivalent, to reflect process improvements in service delivery following the template in **Annex 9 of IATF MC No. 2013-01.**	Client Support Service Concerned Regional/ District Office			
• Submission and review of SALN of all offices and employees following the template in **Annex 10 of IATF MC No. 2013-01.**	Personnel Division HRMU of concerned Regional Office			

3.2 All "Compliance Certificates" that are already signed by the Commissioner shall be submitted to the Assistant Commissioner, Planning and Management Service, attention: Assistant Chief, Planning and Programming Division, **not later than November 20, 2013.**

The cut-off date for the transactions covered in the Certifications on Transparency Seal, PHILGeps Posting, and Liquidation of Cash Advances is **November 15, 2013.**

3.3 The Planning and Programming Division shall collate all the Certifications and prepare the transmittal letter for the DOF Secretary for submission to DOF **not later than November 30, 2013.**

V. REPEALING CLAUSE

All revenue issuances and/or portions thereof that are inconsistent herewith are hereby repealed, revoked, amended or modified accordingly.

VI. EFFECTIVITY

This Order shall take effect immediately.

(Original Signed)
KIM S. JACINTO-HENARES
Commissioner of Internal Revenue

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