

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

September 23, 2003

REVENUE MEMORANDUM ORDER NO. 37-2003

SUBJECT : Policies, Guidelines and Procedures for Local and Foreign Scholarship Grants and Foreign-Assisted Trainings

TO : All BIR Officials and Employees Concerned

I. OBJECTIVES

This Order is issued to :

1. Prescribe policies, standards, guidelines and procedures to facilitate selection and screening of candidates for local and foreign scholarship grants, as well as foreign-assisted trainings pursuant to the provisions of Book V, Section 31 of Executive Order 292 ;
2. Provide scholarship opportunities for personal and career development of all deserving BIR employees to strengthen and professionalize the revenue service; and,
3. Set forth the obligations and responsibilities of the grantees and the counterpart support that the BIR can provide to the grantees.

II. COVERAGE

This Order shall cover the following local and foreign scholarship grants and foreign- assisted trainings that require diplomas or certificates :

A. Local Scholarship Programs

- Civil Service Commission-Local Scholarship Program -Masteral Degree Program (**CSC-LSP-MDP**)
- Civil Service Commission- Local Scholarship Program - Bachelors Degree Completion (**CSC-LSP-BDC**)
- Civil Service Commission-Local Scholarship Program Skilled Workers in Government (**CSC-LSP-SWG**)
- Other Local Scholarship Programs

B. Foreign Scholarship Grants

- Korean International Cooperative Agency (**KOICA**)
- Japan International Cooperation Agency (**JICA**)
- Malaysian Technical Cooperation Programme (**MTCP**)
- United States Agency for International Development (**USAID**)
- Australian Agency for International Development (**AusAID**)

- World Bank-International Monetary Fund (**WB-IMF**)
- Singapore-IMF
- Singapore Colombo Plan
- Other international agencies / organizations / private companies or corporations

III. POLICIES

A. Local Scholarship Program

1. BIR employees who have rendered at least two (2) years of service in the Bureau and who meet the required qualifications (Sec. IV-C of this RMO) and experiences may benefit from the local scholarships/trainings and study grants.
2. All local scholarship programs shall be covered by a contract between the grantee and the BIR, represented by the Assistant Commissioner, Human Resource Development Service.
3. The profession or field of study to be pursued shall be relevant to the agency or to the official duties and responsibilities of the concerned official or employee.
4. The scholarships/trainings/study grants shall remain in force for the duration of the employee's study grant subject to the rules and regulations set forth by the BIR, Civil Service Commission (CSC) and other agencies/institutions unless revoked/ suspended / terminated for valid reasons.

B. Foreign Scholarship Grants

1. BIR employees who have rendered at least two (2) years of service in the Bureau and who meet the required qualifications and experiences may benefit from the foreign scholarships/trainings and study grants.
2. A Scholarship Committee shall be created to evaluate and deliberate on the qualifications of the applicants. Said Committee shall be represented by all functional groups and shall select the official nominee/s therefrom to foreign scholarship grants/trainings.
3. The profession or field of study to be pursued shall be relevant to the agency or to the official duties and responsibilities of the concerned official or employee.
4. All foreign scholarship programs shall be covered by a contract between the grantee and the BIR, represented by the Commissioner of Internal Revenue or his duly authorized representative.
5. The scholarships/trainings/study grants shall remain in force for the duration of the employee's study grant subject to the rules and regulations set forth by the BIR and the regular inviting / sponsoring agency unless revoked/suspended/terminated for valid reasons.
6. Participants to foreign-assisted training programs, seminars, study tours and exposure trips shall undergo screening process and final selection by the Management Committee (MANCOM).

IV. GUIDELINES AND PROCEDURES

A. SCHOLARSHIP POOL

1. Each functional group in the National Office shall prepare a roster of eligible BIR employees that may be recommended for scholarships/study grants.
2. A Regional Scholarship Committee composed of the Regional Director, Assistant Regional Director and Human Resource Management Unit Head shall likewise prepare a roster.
3. Said rosters from the National and Regional Offices shall be transmitted to the Training Management Division thru the Human Resource Development Service within thirty (30) days upon approval of this Revenue Memorandum Order and to be updated every year thereafter.
4. The Training Management Division shall prepare a consolidated list of qualified BIR employees from the National and Regional Offices as recommended by the Regional Director or Head of Office.

B. APPLICATION, NOMINATION AND SELECTION

1. The Training Management Division (TMD) shall send the invitation/request for nominees to the office concerned on the basis of: a) relevance of the scholarship/study grant to the office's major responsibility, and b) potential benefits that may directly or indirectly accrue to the goals and visions of the BIR.
2. The applicant as recommended by the Head of Office shall submit the necessary requirements to the TMD unless the inviting agency provides otherwise, in which case the TMD shall be furnished a copy.
3. The TMD shall provide the Chairperson of the Scholarship Committee with the list of applicants and the corresponding documentary requirements.
4. The Scholarship Committee Chairperson shall convene the committee and select the official nominee/s using the Selection Criteria per Sec. IV. C of this Revenue Memorandum Order.
5. In case the Scholarship Committee cannot be convened and the deadline for nomination is already set, the Chairperson of the Scholarship Committee, with the concurrence of at least three (3) members of the Committee, one of which shall be from the Office of the Commissioner of Internal Revenue may endorse the official nominee/s to the Department of Finance / inviting agency.
6. In cases where no new nominees are endorsed to the TMD, selection shall be done from its pool of nominees.

C. SELECTION CRITERIA

Scholarship grantees shall be selected based on merit, capability of the employee to pursue further education for his/her career development and the qualification standards set by the BIR and/or the local/foreign inviting agency.

1. Local Scholarship Grants

For purposes of screening nominees for inclusion in the roster of scholarship pool, employees must possess the following qualifications:

- a. Relevant course/degree from a college/university ;
- b. Permanent appointment at the time of filing the application for scholarship; For this purpose, co-terminous appointments may not be considered as permanent appointments;
- c. At least two (2)years of continuous service in the Bureau;
- d. Relevant work experience;
- e. Very satisfactory performance ratings for the last two (2) consecutive rating periods;
- f. In good health;
- g. No pending criminal and/or administrative case ;
- h. No current foreign or local scholarship grant ;
- i. No foreign or local scholarship grant in the past two (2) years ;
- j. No pending service obligation from previous local or foreign scholarship and training contract ; and
- k. Not more than fifty (50) years old as of the last birthday.

2. Foreign Scholarship Grants

- a. Same qualifications from a to j under the Local Scholarship Grants ;
- b. Age requirement set by the foreign inviting agency ; and
- c. Candidates must be performing the functions relevant to the field of study for at least six (6) consecutive months prior to his application.

3. Foreign-Assisted Trainings, Seminars, Study Tours and Exposure Trips

In consonance with the provisions set forth in Sec. III B number 6 of this Revenue Memorandum Order, selection criteria shall be determined by MANCOM.

D. AWARD OF SCHOLARSHIP

1. For local scholarships/trainings/study grants, the notice of acceptance or non-acceptance of a nominee to a scholarship program is contained in a note verbale from the sponsoring agency.
2. For foreign scholarships/trainings/study grants, the final selection of the nominee/s is the prerogative of the donor country/inviting agency. Awardees of foreign scholarship/training/study grant shall comply with the foreign travel requisites and provisions of **Executive Order (E.O.) No. 248 Providing Rules and Regulations Governing Travel Abroad of Officials and Employees of the Government Both National and Local, Including Government-Owned or Controlled Corporations, and Prescribing Rates of Allowances and Other Expenses Thereof** as amended by **E.O. No. 248-A, pertaining to the Responsibilities and Commitments of Both Parties vis-a-vis their Obligations to the Philippine Government Attached to the Scholarship Grant.**

3. Awardees of both local and foreign scholarship / training / study grant shall comply with requisites of the service contract with the BIR / sponsoring agency.

V. TERMS AND CONDITIONS ON SCHOLARSHIPS AND STUDY GRANTS

A. Obligations of the Grantee

The Grantee shall :

1. Conduct himself in such a manner that would allow him to keep up with the requisite standards of scholarship and to abide by the terms and conditions of the grant.
2. Render compulsory service obligation.

2.1 If funded by the BIR, the service obligation shall be based on the cost of the scholarship/training/study grant as follows:

<u>Amount of the Grant</u>	<u>Service Obligation</u>
Over P 500,000	5 years
Over P 300,000 but not exceeding P 500,000	3 years
Over P 150,000 but not exceeding P 300,000	2 years
P 150,000 and below	1 year

2.2 If not funded by the BIR, the service obligation shall be based on the length of the scholarship term as follows :

<u>Scholarship Term</u>	<u>Service Obligation</u>
2 years and over	4 years
Over 1 year but not exceeding 2 years	3 years
Over 6 months but not exceeding 1 year	2 years
6 months and below	1 year

3. Submit to TMD copies of academic work prepared in connection with the scholarship after completion of the study grant . Such materials shall form part of reference materials of the BIR Library.
4. Submit to the Office of the Assistant Commissioner, Human Resource Development Service, Attention : Chief, Training Management Division, a post training report stating therein his/her recommendation/proposal relative to his plan to apply relevant aspects of the course on the job, and other training materials within sixty (60) days upon return to duty.
5. Non-compliance with the reportorial requirements of the grantee shall result in the withholding of the grantee's salary equivalent to the cost of training/scholarship (airfare, transportation allowance, pre - departure, etc.). It shall only be lifted upon completion of the requirements (i.e., copies of academic work, written report, program plans/recommendations, and revision proposal), as certified by the Chief, TMD.

6. In cases where the grantee either : (a) receives a failing grade; (b) discontinues studies through his/her own fault or willful neglect; (c) fails to complete the degree after an extended term; or (d) resigns/transfers to a private agency without completing the degree/grant, the grantee shall refund all expenses defrayed and other remunerations to the BIR equivalent to his/her unexpired period of service obligation based on the following formula: (CSC MC No. 14, s. 1999)

$$R = \frac{(SOR - SOS)}{SOR} \times TCR$$

Where:

$$R = \text{Refund} \quad TCR = \text{Total Compensation Received}$$

(Gross salary, allowances and other benefits received while on study leave)

$$SOS = \text{Service Obligation Served} \quad SOR = \text{Service Obligation Required}$$

However, these provisions shall not apply when the contract stipulates otherwise.

7. The proportionate refund of the monetary value of the scholar's service obligation to the agency is allowed after rendering at least fifty percent (50%) of the total service obligation in the agency. The refund whether on installment basis and/or salary deduction, must not exceed a three-year payment period. This will only apply to those grantees who get a failing grade or unable to continue his/her studies.

On the other hand, the installment basis shall not be applicable to grantees who fail to fulfill/render service obligation stipulated in the contract because of resignation, voluntary separation or transfer to private agencies. In case the grantees opted to transfer to another government agency he/she will no longer refund to the Bureau the amount spent on his/her studies.

The refund of all expenses, e.g., salaries and allowances are **condoned** in the following instances:

➤ Separation from the government due to :

- 1) abolition of the office, or
- 2) involuntary phase-out of the position being held by the grantee due to reorganization; and

➤ Death or permanent disability.

B. Counterpart Support of the Bureau

1. Approve the nomination and recommendation of grantee to the scholarship programs and study grants including those programs sought through the initiative of BIR employees;
2. Allow the grantee to attend training/scholarship grant on official time;
3. Relieve the grantee of all duties and responsibilities of the position for the duration of the approved training/ scholarship grant ; and
4. Pay the grantee's salary and other benefits and allowances, pre-departure expenses and clothing allowances, if applicable.

C. Entitlement

Grantees shall be entitled to allowances and other benefits pursuant to existing rules and regulations.

VI. RESPONSIBILITIES AND DUTIES OF VARIOUS OFFICES

The following shall be the duties and responsibilities of offices concerned:

A. Training Management Division thru the Human Resource Development Service shall :

1. Prepare annual local and foreign scholarship and training program and submit corresponding budgetary estimates to the Budget Division for inclusion in the annual budget proposal of the BIR;
2. Implement the program in accordance with the approved appropriations;
3. Submit periodic report to top management relative to the status and development of the BIR Scholarship program and study grants;
4. Facilitate the processing of necessary documents of the grantee such as ;
 - Certificate of No Pending Nomination to other Local or Foreign Scholarship/s and No Service Obligation/s from Previous Trainings ;
 - Nomination Letter/s ;
 - Scholarship Service Contract ;
 - Request for Travel Authority
 - Revenue Special Order ; and
 - Permission to Travel Abroad
5. Monitor completion of the training / scholarship / grant including the submission of *Post Training Report* and *Report for Duty* of grantees from the BIR National Office ;
6. Furnish the Accounting Division and Personnel Division , a quarterly report re: roster of personnel who have qualified to a local or foreign scholarship, study grant or foreign assisted training; and

7. Notify the Accounting Division whether the grantee has fulfilled all of his obligations, upon the return of grantee or in case the grantee failed to comply with the terms and conditions of the scholarship contract.

B. Budget Division thru the Financial and Administrative Service shall:

1. Obligate funds to cover expenses authorized under existing laws, rules and regulations and within the approved appropriations for the purpose.

Note : The Grantee shall prepare/facilitate the processing of his voucher (i.e. pre-travel expense, per diem and clothing allowance) including the plane ticket and hotel accommodation.

C. Human Resource Management Unit thru the Office of the Regional Director shall:

1. Conduct screening of applicants from the Region for inclusion in the roster of eligible employees to be submitted to the TMD ;
2. Submit recommendation of nominee/s to the HRDS, Attn.: TMD;
3. Facilitate the signing of scholarship contracts and study grants involving the BIR and the grantee ;
4. Coordinate with the TMD on matters regarding local and foreign trainings and scholarship ; and
5. Monitor the grantee's completion of the training / scholarship / grant including the submission of *Post Training Report* and *Report for Duty* copy furnished the TMD.

VII. REPEALING CLAUSE

All other issuances and/or portions thereof inconsistent herewith are hereby repealed and amended accordingly.

VIII. EFFECTIVITY

This Order shall take effect immediately.

(Original Signed)

GUILLERMO L. PARAYNO, JR.
Commissioner of Internal Revenue