

ADMINISTRATIVE ORDER NO. 10
Series of 2019

**Guidelines on the Grant of Honoraria to Lecturers,
Resource Persons, Coordinators, Facilitators in
Seminars, Training Programs, and other Similar Activities**

I. RATIONALE

National Budget Circular (NBC) No. 2007-1 entitled Guidelines on the Grant of Honoraria to Lecturers, Coordinators and Facilitators in Seminars, Training Programs, and Other Similar Activities was issued by the Department of Budget and Management in 2007. Section 4.1 of the said Circular indicate that the Department through its authorities may determine the honoraria rates it will adopt provided it is in accordance with the provisions of the said guidelines.

Some provisions of the circular are stated in general terms hence need to be described and qualified given the type of activities done and related services thereto required by the Department. Translating this NBC into a Department Administrative Order (AO) is necessary to allow a standard interpretation and application of the grant of honoraria to service providers engaged for the development and execution of institutional development and capability building activities.

II. LEGAL BASIS

1. Budget Circular No. 2007 – 1 dated April 23, 2007 on the “Guidelines on the Grant of Honoraria to Lecturers, Resource Persons, Coordinators and Facilitators”.
2. Republic Act 10717 General Appropriations Act 2016. General Provisions.

III. OBJECTIVE

Provide a standard basis for the computation of honoraria to service providers in DSWD organized/sponsored activities.

IV. COVERAGE

This AO shall apply to external service providers such as resource persons, lecturers, facilitators, coordinators and facilitators from government agencies or from the private sector engaged by the Department to undertake institutional development and/or capacity building activities including but not limited to consultations, capability building activities, learning development interventions and other related activities (e.g. fora, meetings, planning).

The honoraria rates provided herein shall be used as guide by the Department unless stated or warranted as in the case of honoraria paid out of fund sources other than the Department's budget or Government of the Philippines (GOP) funds. Other fund sources such as official development assistance (ODA), grants from foreign and local organizations shall follow the rates prescribed by that organization if applicable.

V. DEFINITION OF TERMS

1. **Honorarium** – is a form of compensation given as a token of appreciation or reward for gratuitous services on account of one's broad and superior knowledge or expertise in a specific field for which, going by custom, tradition or propriety, no fixed price is set, but however limited to computation under Part VI Policies hereof.
2. **Resource Person** – refers to any person who, by virtue of his/her expertise and specialization in specific subject area, serve as speaker, discussants, technical assistance provider, panelist in group dynamic sessions in seminars, conferences, symposia, training programs and other similar activities.
3. **Lecturer** – refers to any person who uses lecture as an instructional method in seminars, workshops, conferences, symposia, training programs, and other similar activities.
4. **Facilitator** – refers to any person who is a subject expert in neutrally managing group processes and dynamic sessions such that he/she intervenes for greater group understanding, thus, enabling the participants to full participation to mutual understanding, and to shared responsibilities in the achievement of group objectives and/or in making quality decisions.

N.B. Resource person, Lecturer, Facilitator, Coordinator, and the like shall be collectively referred to as Service Provider in this document.

5. **ID/CB Activities** – Institutional Development (ID) and/or Capability Building Activities (CBA) cover events organized by the Department (either solely, in partnership with or commissioned to an external entity) relative to the execution of its mandate.
6. **Forum** – is a public meeting or presentation involving a discussion usually among experts and often including audience participation.
7. **Convention** – is a gathering of individuals at a pre-arranged place and time in order to discuss or engage in some common interest or topic.
8. **Conference** – is a pre-arranged meeting for consultation or exchange of information or discussion (especially one with formal agenda) of ideas.

9. **Training** – refers to organizationally directed experiences that are systematically designed to increase the knowledge, attitudes, skills, and habits of personnel for the purpose of improving individual performance for the benefit of the organization.
10. **Training of Trainers (ToT)** – refers to a training that develops participants/ capabilities to a trainers' level or standard.
11. **Seminar** – refers to those basically for purposes of sharing, discussing or disseminating ideas and information on the development of particular fields of interest and/or common appreciation and resolution of certain issues.
12. **Workshop** – is a brief intensive course emphasizing interaction and exchange of information among a usually small number of participants.
N.B. Items 5 to 12 shall be collectively referred to as Activities in this document.
13. **Expertise¹** – the basis of credibility/authority of a person who is perceived to be knowledgeable in an area or topic due to his or her study, training, and experience in the subject matter or competency area. It may include specialized skills that is acquired in non-formal modes of learning.

VI. Guidelines

1. Individuals who act as a service provider of the Department who either employed in government or private organizations or self-employed/freelancer may be paid honoraria based on the rates provided herein.

The following factors shall be considered in the grant of honoraria: relevant qualifications of the service provider; difficulty and complexity of the subject matter, activity, or output required; profile (e.g. position/designation, homogeneity) of the participants and; number of activity participants. Please refer to Section 5 for the guide.

2. Employees and other personnel (i.e. hired through contract of service, memorandum of agreement, job orders) of the Department tasked to act as coordinators, lecturers, resource persons, facilitators and other related/similar functions in Department initiated/organized activities shall not be granted honoraria as such services are deemed part of the duties and responsibilities as implementers of the Department's mandate. Similarly, Department personnel who conduct or organize capability building activities/programs and similar activities in the Department are likewise not entitled.

¹ Source <http://www.businessdictionary.com/>.

3. Considering the expertise of service providers, the minimum honoraria rates shall be two (2) times their hourly rates based on their monthly salaries at 22 work days per month, and eight (8) hours per day. The following formula shall be used.

$$\text{Total Minimum Honorarium} = (2) \left[\frac{\text{MSR}_{\min}}{1 \text{ month}} \times \frac{1 \text{ month}}{22 \text{ days}} \times \frac{1 \text{ day}}{8 \text{ hours}} \right] (2) (T \text{ hours})$$

$$TMinH = (0.023) (\text{MSR}_{\min}) (T)$$

Where MSR_{\min} is the monthly salary rate of the service provider and T is the number of actual lecture/training hours.

- 3a. For service providers who are currently employed by a government organization, honoraria shall be based on his/her monthly salary. The latest/current salary schedules (Annex 1) applicable to the organization/office (e.g. line agency, GOCC, military) may also be used as reference.
- 3b. For service providers from the private sector (non-government), any of the following may be used based on the agreement with the service provider.
- 3b.1 Former government employees - the honoraria rate may be based on either the last salary received or Step 1 of the last position held upon separation from service;
- 3b.2. Monthly salary/income or minimum "going" rate for said service (appropriate documents to support this shall be provided);
- 3b.3. Step 1, SG 27 (Director III level)².

² Refer to the latest salary schedule issued by the Department of Budget and Management for reference.

4. Maximum Honoraria Rate

- 4a. The maximum honoraria rate that can be provided to a service provider from the government cannot exceed two (2) times the hourly rate for a position of Professor VI, step 1 of SG-29. The following formula shall be used:

$$\text{Total Maximum Honorarium} = (2) \left[\frac{\text{MSR}_{\max}}{1 \text{ month}} \times \frac{1 \text{ month}}{22 \text{ days}} \times \frac{1 \text{ day}}{8 \text{ hours}} \right] (2) (T \text{ hours})$$

$$TMaxH = (0.023) (\text{MSR}_{\max}) (T)$$

Where MSR_{\max} is the monthly salary rate of a position of Professor VI, step 1 of SG-29 and T is the number of actual lecture/training hours.

- 4b. The maximum honoraria rate that can be provided to a service provider from the private sector (non-government) cannot exceed two (2) times the hourly rate for a position of Undersecretary, step 1 of SG-30 - following the formula above.

5. Minimum honoraria rate may be increased based on the difficulty of the subject matter, the professional qualifications of the service provider and the position level of participants. It shall be incumbent upon to hiring office to properly assess and increase the minimum honoraria based on these criteria. Below is a guide³ for the purpose:

Honoraria Level	Qualifications of Service Provider	Relevant Experience (length/duration; variety/diversity; recency)	Type of event or participants	Honoraria Rate
<i>Note: To grant the increase at least one criteria below in at least one category above must be satisfied.</i>				
Minimum				Based on monthly salary or SG 27, Step 1
Lower Mid	Credentials support or are aligned with the specialization or highly technical	Duration of personal investment/ involvement/ practice in the topic or skill or role equivalent to at	Inter-region (more than one Region) or Island cluster or	SG 28, Step 1 up to 50% of maximum rate

³ The guide is meant to assist the procuring entity/implementers (OBS) assess the "expertise" of the service provider in order to identify the honoraria commensurate to his/her qualifications. Based on a review of resumes of various experts from the private sector it was observed that credentials and experience vary across fields/areas (e.g. IT or facilitation expertise are mostly derived from experience not formal education) hence a specific prescription is avoided in order for the Department to hire the best from a wide pool of candidates.

	field/topic. Credentials shall satisfy at least one of the ff: — relevant education (acquired from schools); trainings; certifications.	least 3 years List of engagements or projects include both from public to private sectors.	National Professionals (RA1080) or Experts or Officials	
Upper Mid	Specialized or highly technical field/topic. Or Have credentials in other areas/fields or topics that are related to topic/area identified Or Recognized by a sector as an authority on the subject/topic.	Duration of personal investment/ involvement/ practice in the topic or skill or role equivalent to at least 5 years	National Experts Professionals Executives (heads of Agencies, organizations, SMEs, CEOs, LCEs)	Up to 90% of maximum rate
Maximum	Recognized nationally as an expert or authority on the subject/area.	Person hours invested in topic or skill equivalent to at least 5 years Or Involvement or engagement by national agencies or corporations with a national presence Or	Island Clusters National International (Asian, Asia-Pacific, International) Or Executives (heads of Agencies, corporations, organizations, CEOs, lawmakers, ODA partners)	Step 1, SG 30

		Regional/international (Asian, Asia-Pacific, International) engagements		

6. Payment. Honoraria shall correspond to the number of actual hours spent⁴ in the activity plus equal number of hours of preparation. (*NB: preparation time is already incorporated in the formula for the computation of honoraria hence no separate honoraria for it.*)

Generally, services for activities is pegged at eight (8) man hours but shall be adjusted depending on the actual situation. Time spent for daily cliniquing or assessment (in the case of facilitators and coordinators) to review and process the day shall be included if performed.

7. Other services such as documentation, hosting, secretariat work, etceteras may be required for an activity – these services are outside the purview of this guidelines. In this case, people to provide these services shall be hired as job orders and paid accordingly.

A job order form and/or a conformed letter of invitation/offer shall suffice as supporting document for engagement. Payment shall be supported by a certification from the hiring office of services rendered. Prevailing rates in the area shall be used as guide for the cost of services provided these are not extravagant, excessive and unconscionable. (*NB: This is also outside the purview Procurement Law hence procurement process does not apply.*)

8. For out-of-town activities, the DSWD shall provide service providers for the transportation, accommodation, meals and other expenses incidental hereto such baggage fee, travel insurance, portage, local inland transport), as needed or as agreed with the service provider. Appropriate supporting documents shall be provided as basis of payment.
9. Proponents shall ensure that appropriate budget for the purpose is included in the activity proposal. The following parameters may be used to estimate the honoraria: 9 person hours per day multiplied by number of activity days (including travel time) per service provider using the maximum rate indicated in Section 4.

⁴ In the case of service providers who are asked to stay for the duration of the activity (e.g. facilitators or coordinators) actual hours spend will include sessions with organizers after session has ended for the day and participants are excused if applicable.

10. Proponents shall keep a record of the service providers hired and provide a feedback about their performance for future reference. Field Office Directors shall designate which division shall maintain said database. At the Central Office it will be the Capacity Building Bureau.
11. Grant of honoraria exceeding the maximum rate indicated herein and other clarifications shall be referred to the GASSG for review/recommendation/decision on a case to case basis.

VII. EFFECTIVITY AND REPEALING CLAUSES

This Administrative Order shall take effect immediately and shall supersede all other guidelines, issuance or their specific provision/s inconsistent hereto.

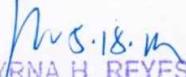
Issued in Quezon City this 15th day of May 2019.



ROLANDO JOSELITO D. BAUTISTA

Secretary

Certify True Copy:



MYRNA H. REYES
QIG-Division Chief
Records and Archives Mgt. Division