

**REVENUE MEMORANDUM ORDER NO. 32-2023** issued on September 28, 2023 prescribes the criteria/conditions and guidelines on the reporting compliance for the grant of the FY 2023 Performance-Based Bonus (PBB) per Administrative Order No. 25 Inter-Agency Task Force Memorandum Circular (IATF-MC) No. 2023-1.

To be eligible for the grant of the FY 2023 PBB, the Bureau must satisfy the criteria and conditions under the four dimensions of accountability, namely: Performance Results, Process Results, Financial Results, and Citizen/Client Satisfaction Results. The FY 2023 PBB Targets for each of the Criteria are as follows:

CRITERIA AND CONDITIONS	Performance Targets
<p><b>Performance Results</b></p>	<p><b>Achieve each one of the Congress-approved performance targets under the Performance-Informed Budgeting (PIB) of the FY 2023 General Appropriations Act (GAA)</b></p> <p>The agency performance in the achievement of targets shall be closely monitored through the use of the submitted Unified Reporting System (URS) and/or Integrated Public Financial Management System (IFMIS) — generated Budget and Financial Accountability Reports (BFARs), to indicate the progress towards the accomplishment of broader sectoral and societal outcomes targeted by the agency for improving the lives of Filipinos.</p> <p>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 3.19.2 of National Budget Circular No. 587, pursuant to Section 99, General Provisions of Republic Act No. 11936 (FY 2023 GAA). BFARs will be used to monitor and validate agency accomplishments.</p> <p>For deficiencies or non-attainment of FY 2023 targets, justifications must be submitted together with the prescribed BFAR forms to the Commission on Audit (COA), the Department of Budget and Management (DBM), and the Bureau of Treasury (BTr), as applicable through the DBM URS and/or IFMIS, thirty (30) days after the end of the 4<sup>th</sup> quarter of FY 2023.</p>
<p><b>Process Results</b></p>	<p><b>Greater ease of transaction of core services based on mandated functions (external) covering government-to-citizens (G2C), government-to-businesses (G2B), and government-to-government (G2G) transactions, and the administrative and supporting services (internal) within the agency</b></p> <p>This may be achieved through reengineering, streamlining, digitalization and other technological applications and other types of process innovations of critical external and internal services implemented at the Regional, Satellite, and Extension Offices.</p> <p>For FY 2023, the target will be substantive improvements in ease of doing business/ease of transaction with respect to <b>two (2) critical services consisting of one (1) core service (external) based on the bureau's mandated function and one (1) support/administrative service (internal)</b> as declared in the</p>

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	<p data-bbox="547 262 1394 322">Citizen's Charter and in line with Anti-Red Tape Authority's (ARTA) Whole-of-Government (WOG) Reengineering Manual.</p> <p data-bbox="547 356 1394 517">Agencies may declare the critical services previously reported in FY 2022 Process Results Report, <b>provided that there are new improvements introduced with verifiable results</b> (number of percentages of reduction in total processing time, steps, requirements, costs, etc.)</p> <p data-bbox="547 551 1394 611">As defined in ARTA MC 2019-002-A, the services may be categorized based on the following:</p> <ul style="list-style-type: none"> <li data-bbox="595 613 1394 707">a. <b>External Services</b> - refer to government services applied for or requested by external citizens or clients or those who do not form part or belong to the government agency or office.</li> <li data-bbox="595 710 1394 965">b. <b>Internal Services</b> - refer to government services applied for or requested by internal clients or individuals who are within the respective government agency or office, such as, but not limited to, its personnel or employees, whether regular or contractual. Internal services include services to regulatory functions related to permitting, licensing, and issuance of a privilege, right, reward, clearance, authorizing, or concession.</li> </ul> <p data-bbox="547 999 1394 1059">In selecting the <b>critical services</b> to be prioritized by the agency, the following factors shall be considered:</p> <ul style="list-style-type: none"> <li data-bbox="595 1061 1394 1189">a. A <b>core service</b> which is a process needed to achieve the overall mission and objectives of the Bureau. The service/s may refer to those that are aligned with the Bureau's mandate and main functions;</li> <li data-bbox="595 1191 1394 1252">b. The <b>most complained</b> service with the greatest number of complaints received;</li> <li data-bbox="595 1254 1394 1348">c. The <b>service/s with the greatest number of pending transactions or backlogs</b> that went beyond its prescribed processing time as declared in the Citizen's Charter;</li> <li data-bbox="595 1350 1394 1411">d. A <b>service that generated income/revenue</b> for the government;</li> <li data-bbox="595 1413 1394 1444">e. A <b>service attributable to the PREXC/Programs</b>; and</li> <li data-bbox="595 1447 1394 1507">f. A <b>service that involves inter-agency action</b> to complete the transaction.</li> </ul> <p data-bbox="547 1532 1394 1592">The substantial improvements or reduction of the selected services may focus on the following areas of the selected services:</p> <ul style="list-style-type: none"> <li data-bbox="595 1626 1394 1753">a. <b>Actual documentary requirements</b> for a transaction for instance duplicative/unnecessary/non-value-adding documents and various prerequisites to be obtained from other government offices;</li> <li data-bbox="595 1756 1394 1917">b. <b>Total processing time</b> to include queueing to start a transaction, waiting time to complete a transaction, and backroom processing; in other words, the total turnaround time, not just the estimated time reflected in the agency's Citizen's Charter;</li> <li data-bbox="595 1919 1394 2036">c. <b>Overall transaction cost</b> to obtain the service (while the official fees cannot be reduced unless authorized), the other transaction costs on the part of the transacting public (both visible and not visible) could be reduced. Agencies could find</li> </ul>

CRITERIA AND CONDITIONS	Performance Targets
	<p>out what these costs are if they get feedback and listen to the transacting public;</p> <ul style="list-style-type: none"> <li>d. <b>Multiple hand-offs</b> where the transacting public needs to go to several offices and/or windows in order to complete a transaction; and elimination of multiple reviews and approvals to complete a transaction;</li> <li>e. <b>Administrative burden</b> associated with the transaction i.e., the complexity and amount of effort that the agency need to expend in order to process the transaction; and</li> <li>f. <b>Access to the service</b> that makes the transaction very easy, convenient, without or only with very minimal cost, reliable and predictable.</li> </ul> <p>The concepts and tools indicated in the WOG Reengineering Manual may be used in reengineering efforts and may refer to the submitted Initial Reengineering Plan to ARTA as the basis in prioritizing areas for improvement. The BIR's substantial improvement results shall be reported through Modified Form A (<b>Annex 2 of IATF MC No. 2023-1</b>). Objectively verifiable evidence of achievements in ease of doing business/ease of transaction must be reported in Annex 2.</p> <p>The report should highlight the tangible results of digitization in terms of ease of doing business or ease of transaction from the point of view of the transacting public client.</p> <p>The complete report on digitization is also considered as an Agency Accountability as stated in <b>Section 5.0 of IATF MC No. 2023-1</b>.</p>
<p><b>Financial Results</b></p>	<p><b>Attainment of the FY 2023 Disbursement Budget Utilization Rate (BURs)</b></p> <p>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 2023, Hence for FY 2023, agencies shall accomplish the Disbursement BUR.</p> <p>Disbursement BUR is measured by the ratio of total disbursement (excluding Personnel Services (PS)) to the total obligations for Maintenance and Other Operating Expenses (MOOE) and Capital Outlays (CO) made in FY 2023, net of goods and services obligated by December 31, 2022, but paid only in FY 2023. The <b>total obligations for MOOE and CO</b> shall refer to those made from the current appropriations under the FY 2023 GAA and the continuing appropriations under FY 2022 GAA. Transfers to other agencies shall not be considered as disbursements until such time such transferred funds have been utilized for payment of accepted goods delivered and services rendered. Hence:</p> $\text{Disbursement BUR} = \frac{\text{Total Disbursements (excluding PS), net of payments made in 2023 for past years' obligations}}{\text{Total Obligations}}$

CRITERIA AND CONDITIONS	Performance Targets
	<p>Same as the Performance Results, the submission of the quarterly BFARs through the DBM-URS and/or IFMIS must be ensured in a timely manner within thirty (30) days after the end of each quarter. The submitted FY 2023 Financial Accountability Reports (FAR) No. 1 Statement of Appropriations, Allotments, Obligations, Disbursements, and Balances (SAAODB) shall be the basis in determining the FY 2023 BUR accomplishment.</p>
<p><b>Citizen/Client Satisfaction Results</b></p>	<p><b>Resolve all reported complaints from Hotline #8888 and Contact Center ng Bayan (CCB)</b></p> <p><b>Resolution and compliance to reported complaints from Hotline #8888 and Contact Center ng Bayan (CCB).</b> The resolution of all complaints and grievances shall be reported to Hotline #8888 and CCB, and their compliance to the 72-hour prescribed period to take actions on complaints as provided in EO No. 6, s. 2016.</p> <p>Reported complaints and grievances shall cover government service and procedures, acts of red tape, corruption, and/or other interferences to public service delivery by any government agency, individuals, or instrumentalities.</p> <p>To provide evidence on this, a report may be submitted summarizing the Hotline #8888 and CCB complaints received in FY 2023 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 Office of the President, Presidential Management Staff, Civil Service Commission, and Presidential Communications Operations Office from Hotline #8888 and CCB databases, as well as the Freedom of Information (FOI) portals.</p> <p>To determine the resolution and compliance rates to Hotline #8888 and CCB complaints, agencies may refer to item IV of Annex 5 or with the definitions provided in Section 2.4.2c of MC No. 2021-2.</p>

To sustain the institutionalization of compliance to existing government-mandated laws and standards, the Bureau and BIR Performance Management Team (PMT) shall continue to implement, monitor, and enforce compliance with the following Agency Accountabilities:

- a. Updating the Transparency seal;
- b. Compliance with Audit Findings and Liquidation of Cash Advances;
- c. Compliance with the FOI Program;
- d. Establishment and Conduct of the Agency Review and Compliance of Statement of Assets, Liabilities, and Net Worth (SALN);
- e. PhilGEPS posting of all invitations to bids and awarded contracts (Annex 7 of IATF MC No. 2023-1);
- f. FY 2023 Non-Common Use Supplies and Equipment (APP-non CSE);
- g. Posting of Indicative FY 2024 APP-non CSE;

- h. FY 2024 Annual Procurement Plan-Common Use Supplies and Equipment (APP-CSE) (Annex 8 of IATF MC No. 2023-1);
- i. Results of FY 2022 Agency Procurement Compliance and Performance Indicators (APCPI) System;
- j. Undertaking of Early Procurement Activities covering FY 2024 Procurement Projects;
- k. Designation of the Agency's Committee on Anti-Red Tape (CART);
- l. Compliance with the National Competition Policy (NCP); (Per Annex 5, Section 1.1 of IATF MC No. 2023-1, only attached agencies of Departments specifically identified in Annex 5.1 shall be subjected to NCP-related accountabilities);
- m. Continuing ISO-QMS certification or equivalent certification of at least one (1) critical frontline service or core process (Annex 3 of IATF MC No. 2023-1);
- n. Administered Client Satisfaction Measurement (CSM); and
- o. Report on the digitalization initiatives or digital transformation of external and internal services.

The Bureau's accomplishments for each of the Criteria shall be rated using a scale of one (1) to five (5), where 5 is the highest. Each criterion shall have an assigned weight, as shown below:

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
<b>TOTAL SCORE</b>	<b>Maximum = 100 points</b>					

The maximum score that may be obtained by the Bureau is one hundred (100) points. To be eligible for the FY 2023 PBB, the Bureau must attain a **total score of at least seventy (70) points.**

The following BIR Offices are identified as Delivery Units (DUs), in accordance with the provision in ***Annex 1. p.4 of the IATF-MC No. 2023-1*** which prescribed the "Master List of Departments, Agencies, and State Universities and Colleges":

- Office of the Commissioner (including the Office of the Deputy Commissioners and immediate support staff and Performance Evaluation Division)
- Revenue Services
- Revenue Data Centers
- Revenue Regional Offices (Revenue Regions)

The DUs of eligible agencies shall no longer be ranked. However, the unit(s) most responsible for deficiencies shall be isolated.

In case the Bureau fails to meet a rating of 4 in at least three (3) criteria, the delivery unit/s most responsible (including its head) for the criteria with a performance rating of below 4 shall be isolated from the grant of the FY 2023 PBB.

The unit/s most responsible (including its head) for the non-compliance with the Agency Accountabilities provided in Section IV.2 of the Order will also be isolated from the grant of the FY 2023 PBB. Eligible DUs shall be granted FY 2023 PBB at uniform rates across the Bureau, including its officials and employees. The corresponding rates of the PBB shall be based on the Bureau's achieved total score as shown below:

<b>TOTAL SCORE</b>	<b>PBB RATES</b>
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)

The four (4) dimensions of Accountability shall be assessed and scored as follows:

<b>CRITERIA AND CONDITIONS</b>	<b>RATING</b>				
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>

<b>Performance Results</b>	<b>Met below 50%</b> of performance indicators of the Congress-approved performance targets for FY 2023.	<b>Met 50% to less than 70%</b> of performance indicators of the Congress-approved performance targets for FY 2023.	<b>Met 70% to less than 80%</b> of performance indicators of the Congress-approved performance targets for FY 2023.	<b>Met 80% to less than 100%</b> of performance indicators of the Congress-approved performance targets for FY 2023.	<b>Met each one or 100 %</b> of the Congress-approved performance targets for FY 2023 (all performance indicators)
<b>Process Results</b>	<b>No substantial improvement</b> in ease of transaction in both external core and internal services	Achieved substantial improvements to ease transaction in <b>internal services</b>	Achieved substantial improvements to ease transaction in <b>external services only</b>	Achieved substantial improvements to ease transaction in <b>external but non-priority core service and internal service</b>	Achieved substantial improvements to ease transaction in <b>priority core service (external) and internal service</b>
<b>Financial Results</b>	<b>Below 40%</b> Disbursements BUR	<b>40-55%</b> Disbursements BUR	<b>55-70%</b> Disbursements BUR	<b>70-85%</b> Disbursements BUR	<b>85-100%</b> Disbursements BUR
<b>Citizen/ Client Satisfaction survey (CCSS) Results</b>	<b>0%</b> resolution and compliance rate to #8888/CCB complaints	<b>At least 1%</b> resolution and compliance rate to #8888/CCB complaints	<b>At least 50%</b> resolution and compliance rate to #8888/CCB complaints	<b>At least 75%</b> resolution and compliance rate if there are <b>more than 250 tickets</b> to #8888/CCB complaints <b>At least 80%</b> resolution and compliance rate for <b>250 or less tickets</b> to #8888/CCB complaints	<b>100% resolution and compliance</b> to #8888/CCB complaints

The guidelines and procedures on the reporting of Performance Results, Process Results, Financial Results and Citizen/Client Satisfaction Results, including compliance with the Agency Accountabilities and Good Governance Conditions by the concerned BIR offices are specified in the Order.

If the Bureau, 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.

The Civil Service Commission or Office of the 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 PBB and violation of the provisions of the IATF-MC No. 2023-1.