



Republic of the Philippines  
**DEPARTMENT OF FINANCE**

Roxas Boulevard Corner Pablo Ocampo, Sr. Street  
Manila 1004

**LEGAL DEFENSE FUND CLAIMS BOARD  
RESOLUTION NO. 2018 - 001**

**APPROVING THE INTERNAL GUIDELINES OF THE LEGAL DEFENSE FUND (LDF)  
CLAIMS BOARD**

**WHEREAS**, National Budget Circular No. 566 dated December 15, 2016 (Guidelines in the Utilization of the Legal Defense Fund for FY 2016 and Succeeding Years) was issued to promote the welfare and extend assistance to government personnel who face administrative, civil or criminal charges before courts, for which they incur actual expenses;

**WHEREAS**, National Budget Circular No. 566 (2016) prescribed the guidelines in utilizing the Legal Defense Fund, including the establishment of the appropriate organizational, procedural set-up and internal guidelines for its release and utilization;

**WHEREAS**, DOF Department Order No. 034-2018, dated May 21, 2018, was issued to establish the DOF LDF Claims Board;

**WHEREAS**, there is a need to prescribe the internal guidelines in the processing of claims in the DOF against the LDF;

**NOW, THEREFORE, BE IT RESOLVED AS IT IS HEREBY RESOLVED**, that the LDF Claims Board **ADOPTS** the Internal Guidelines of the Legal Defense Fund (LDF) Claims Board attached hereto as "Annex A".

This Resolution shall take effect immediately.

**APPROVED** this 19<sup>th</sup> day of December 2018.

  
**BAYANI H. AGABIN**  
Chairman

  
**JESUS NATHANIEL B. GONZALES**  
Vice-Chairman

  
**ALVIN P. DIAZ**  
Member

  
**MELQUIADES B. CASTILLO**  
Member

  
**MA. CECILIA V. MAHILUM**  
Member

## **INTERNAL GUIDELINES OF THE LEGAL DEFENSE FUND (LDF) CLAIMS BOARD**

### **1. Legal Basis**

- 1.1 National Budget Circular (NBC) No. 566 dated December 15, 2016, entitled "Guidelines in the Utilization of the Legal Defense Fund for FY 2016 and Succeeding Years"
- 1.2 Republic Act No. 10964 or the 2018 General Appropriations Act for FY 2018

### **2. Objectives**

The LBF Claims Board shall determine the eligibility of claimants and claimed expenses, and the amounts to be charged against the LDF.

### **3. Coverage**

Incumbents, separated or retired employees and officials of the DOF or any of its attached bureaus or agencies with plantilla positions who, in the performance of their official functions, may face administrative, civil, or criminal charges before courts, for which they incur actual expenses in the defense of their cases.

### **4. Establishment of the LDF Claims Board**

- 4.1 The LDF Claims Board shall not be separate or independent office. Designation to the LDF Claims Board shall be an additional function of those assigned thereto.

- 4.2 The LDF Claims Board shall have the following powers and functions:

- a) Decide all claims against the LDF;
- b) Create a secretariat from personnel designated by the members of the LDF Claims Board;
- c) Issue internal guidelines consistent with this Circular; and
- d) Perform such other powers and functions as may be necessary to fully carry out the provisions of the LDF and NBC No. 566.

- 4.3 Composition - The LDF Claims Board shall be composed of the following:

<b>Chairperson</b>	:	Undersecretary, Legal Services Group
<b>Vice Chairperson</b>	:	Director IV, Legal Affairs Group
<b>Members</b>	:	Director IV, Central Administration Office Technical Staff, Office of the Secretary President, DOF Employees Association

- 4.4 The LDF Claims Board shall carry out its business by a majority vote of the members present. However, all decisions shall be arrived at by a majority decision of all the members.

- 4.5 The LDF Claims Board may assign their respective authorized alternates to represent and act in their behalf.

- 4.6 The Personnel Services Division shall form the members of the Secretariat



4.6 The Personnel Services Division shall form the members of the Secretariat who shall assist in the preparation of resolutions and other relevant documents relative to the performance of its powers and functions.

**5. Requirements for Eligible Claims**

The requirements for claims against the LDF are the following:

- a) The claimant is an employee of the DOF or its attached bureaus or agencies, whether incumbent, separated, or retired government employee with plantilla position;
- b) The administrative, civil or criminal case arose from the regular performance of the claimant's official responsibilities and functions;
- c) The case is filed before any court or those under the supervision of the Supreme Court; and
- d) The claim is filed before the DOF where the claimant performed official responsibilities and functions subject of the case.

**6. Eligible Legal Expenses**

6.1 Legal expenses claimed shall be limited to the following types and amounts:

PAYEE	TYPE OF EXPENSE	MAXIMUM AMOUNT (inclusive of taxes)
Claimant	Bail bond	Payment of bond premiums. No reimbursement of cash bond shall be allowed.
Claimant	Expenses for photocopying of documents, required certifications, and transcript of stenographic notes	Actual amount incurred supported by official receipt/s.  For other expenses, shall be based on the prescribed legal fees under Rule 141 of the Rules of Court, as amended, but not to exceed a total amount of Ten Thousand Pesos (P 10,000) for each case.
Claimant	Fees to be paid to private counsel for the preparation or filing of pleadings and/or motions excluding Motions to Reset Hearing and for Extension of Time	Total amount supported by official receipt/s but should not to exceed Twenty Thousand Pesos (P20,000) per case.
Claimant	Acceptance and/or attorney's fee to be paid to private counsel	Total amount supported by official receipt/s but should not exceed Fifty Thousand Pesos (P50,000) per case.

Claimant	Appearance fee of private counsel for every hearing or appearance before a court	<p>Minimum rates prescribed by the local Integrated Bar of the Philippines (IBP) chapter.</p> <p>If not available, the rates of the nearest IBP chapter where the case is being heard or tried.</p> <p>If the IBP rates are not available, the appearance fee shall not be more than Five Thousand Pesos (P5,000) per hearing.</p> <p>Note: The claim must be supported by official receipts and proof/certificate of attendance.</p>
Government Legal Counsel	Transportation and other travel expenses for every hearing or appearance before any court and for interviews with client or preparation of documents	<p>Actual amount supported by official receipt/s and duly issued travel authority if necessary.</p> <p>Notes: For Other Travel Expenses, those provided under E.O. No. 248, s. 1995 (Prescribing Rules and Regulations and New Rates of Allowances For Official Local And Foreign Travels Of Government Personnel), any amendments thereto and guidelines therefore.</p> <p>Expenses may be claimed up to a maximum of four (4) hearings or meetings in a month only.</p> <p>All accounting and auditing rules and regulations must be complied with.</p> <p>Proof/certificate of attendance must be presented.</p>
Government Legal Counsel	Appearance Fee	Amount authorized for Special Counsel under the General Provisions of the annual General Appropriations Act

6.2 The maximum amounts abovementioned shall be applied on a per case basis. Consolidated cases shall be considered as one case;

6.3 If the expense is in excess of the limits stated above, the excess amount shall not be allowed.

6.4 Claims may also be charged against the LDF for legal assistance of the Bids and Awards Committee (BAC) members and their support staff as authorized under Republic Act No. 9184 and its Implementing Rules and Regulations and



Regulations and subject to the pertinent guidelines issued by the Government Procurement Policy Board (GPPB).

- 6.5 The claim shall be in a form of cash advance or reimbursement for legal expenses incurred by qualified claimants in relation to their court defense;
  - 6.5.1. The claim in the form of cash advance may only be granted to incumbent personnel for transportation expenses to be supported by an Office Order indicating the duration of the travel and the authorized travel allowance to be granted.
  - 6.5.2. All other authorized legal expenses shall be on a reimbursement basis.
- 6.6 The claimant may engage a private or government legal counsel, subject to pertinent laws, rules and regulations.
- 6.7 The amount of legal expenses charged against the LDF shall be refunded to the government when the claimant is found guilty by final judgement by the Court in relation to the offense charged.

## **7. Procedure for Processing of Claims**

- 7.1. *Where To File* – For employees of bureaus or agencies under the DOF, the claimant shall file his/her claim against the LDF with the head of the bureau or agency. Upon receipt, the head of the Bureau/Service/Office shall endorse the claim to the LDF Claims Board.

For DOF employees, the claimant shall file his/her claim directly to the DOF Legal Defense Fund (LDF) Claims Board.

- 7.2. *Contents of the Claim* - The claim shall be in the form of a letter and must clearly indicate the following:
  - a. Full Name of the claimant,
  - b. Current position and group/office in the DOF or its attached bureau or agency,
  - c. Contact Details,
  - d. Position and group/office of the claimant at the time he/she performed the official function or responsibility from which the case arose,
  - e. Title and docket number of the case,
  - f. Court where the case is pending,
  - g. Brief description of nature of the case,
  - h. Brief summary of the facts leading to the case,
  - i. List of itemized legal expenses claimed and the corresponding amounts, and
  - j. Other Relevant documents to support the claim, such as official receipts, contracts, proof of employment with the DOF or any of its attached bureau or agency, etc.

7.3 *Priority of Claims* - Claims of rank-and-file employees shall be given priority over the claims of officials.

7.4 *Evaluation* - Upon receipt of the claim, the LDF Claims Board shall examine, verify and validate the information and documents submitted by the claimant. If the claim is found to be incomplete, the LDF Claims Board may require the claimant, by written notice, to submit the necessary information and/or relevant documents within ten (10) days from receipt thereof.

Upon finding that all the requirements have been duly complied with and that all the necessary documents submitted are complete and genuine, the LDF Claims Board may either approve or deny the claim.

7.5 *Decision* – After evaluation, the LDF Claims Board may:

**a. Approve the Claim**

If the claim and/or legal expenses are determined to be eligible, the LDF Claims Board shall approve the claim, order the processing of claims and the subsequent release of funds for the approved claims.

In case of claims for BAC Legal Assistance under RA No. 9184 and GPPB guidelines, the request shall be supported by an approval from the head of the procuring entity as required under GPPB guidelines for the purpose.

The favorable decision of the LBF Claims Board shall be final and executory.

**b. Deny the Claim**

If the claim and/or legal expenses are determined to be ineligible or the claimant failed to submit the necessary information within the required period, the LBF Claims Board shall deny the claim and send a written notice of the denial of the claim to the claimant.

The denial of the claim may be appealed to the Office of the President within fifteen (15) days from receipt of written notice thereof.

**8. Release of Funds**

The Secretary of Finance or his authorized representative shall submit the appropriate request, supported by the favorable decision of the LDF Claims Board, to the Department of Budget and Management (DBM).

If the DBM approves the request, DBM shall release the Special Allotment Release Order (SARO) and Advice of Notice of Cash Allocation Issued (ANCAI) to the DOF.

In case of claims for BAC Legal Assistance under R.A. No. 9184 and GPPB guidelines, the request shall be supported by approval of the Secretary of Finance as required under GPPB guidelines.

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The DOF shall, upon receipt of the SARO and ANCAI:

- a) Issue the Advice to Debit Account for crediting to the account of the claimant or the government legal counsel, depending on the type of claim granted enumerated under item 4.5 hereof.
- b) Observe the pertinent budgeting, accounting or auditing rules and regulations in the release of funds to the claimants.

#### **9. Funding Source**

The LDF shall be sourced from the annual appropriations provided in the annual General Appropriations Act (GAA). The amount shall only be used for the payment of actual legal expenses incurred by claimants during the same year.

#### **10. Amendments**

The LDF Claims Board may modify or amend the provisions of this guidelines as may be necessary.

#### **11. Effectivity**

This Guidelines or any amendments thereof shall take effect immediately after posting in at least three (3) conspicuous places in the DOF and its attached bureaus or agencies and electronic mailing sent to all employees .