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Office of the President

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MEMORANDUM CIRCULAR NO. 67
Series of 2008

T O: All VSU Employees
R E: Clarification of BOR Resolution No. 75, s 2008

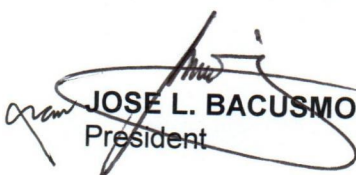
It has come to the attention of this office that there are various interpretations of the BOR Resolution No. 75, s. 2008. Please be informed that said Resolution was requested by the VSU President from the BOR prior to the release of Budget Circular No. 2008-5 supporting the pronouncement of Her Excellency President Gloria Macapagal-Arroyo on additional benefits that government workers will receive this Christmas. The said BOR Resolution was passed to make sure that in the event that the government will not release additional benefits, we have a leeway to give year-end incentive to VSU employees. However, it should be emphasized that any release of additional cash benefits will require a **firm legal basis** aside from the **availability of funds**.

Based on the Supreme Court decision G.R. No. 169637 in the case of Benguet State University, to wit:

What is clear from Section 4 (d) of R.A. No. 8296 cited by BSU as legal basis of its claim as well as from its implementing rules is that income generated by the university may be disbursed by its Governing Board for "instruction, research, extension, or other programs/projects of the university or colleges".

Thus, even if there is an approved BOR resolution to grant additional benefits to employees, there is still a need for a firm legal basis to justify its release. Hence, we are trying to secure a certification from the Department of National Defense that will allow us to claim a Hazard Pay. In addition, the administration is working on obtaining legal basis for providing non-cash benefits to its employees.

We hope this memorandum clarifies this matter.


JOSE L. BACUSMO
President