REVENUE MEMORANDUM ORDER NO. 42-2004 issued on September 14, 2004 prescribes the guidelines and procedures for the receipt of collections and grant of honoraria to BIR personnel involved in procurement activities in accordance with Section 15 of Republic Act (RA) No. 9184 (Government Procurement Reform Act) and National Budget Circular No. 2004-5.

To be entitled to honoraria, revenue personnel concerned must be duly designated as chairman and members of the Bids and Awards Committee (BAC), the Technical Working Group (TWG) and Secretariat covered by a Revenue Special Order (RSO).

The said revenue personnel must have participated in any of the procurement activities enumerated under Section 12.1 of the Implementing Rules and Regulation of RA No. 9184 for a particular contract, as certified by the Chair or Vice-Chair of BAC.

The members of the BAC Secretariat who performed the attendant functions on an ad hoc basis may be paid honoraria at the same rate as the TWG Chair/members. Honoraria received in a month should not exceed 25% of the monthly basic salary.

Those who are receiving honoraria for their participation in procurement activities shall not be allowed to render overtime services with pay or overtime services to be compensated through time/days off work.

Members of the BAC Secretariat whose positions are in the Procurement Unit of the agency shall not be entitled to honorarium. Overtime services may however, be allowed subject to the guidelines under Budget Circular No. 10 and Administrative Order No. 103.