Republic of the Philippines
COMMISSION ON AUDIT
Commonwealth Avenue, Quezon City, Philippines

No.: 2012-001
Date: JUN 14 2012

CIRCULAR

TO : All Heads of Departments, Bureaus, Offices, Agencies and Instrumentalities of the National Government, Heads of Local Government Units, Managing Heads of Government-Owned and/or Controlled Corporations, COA Assistant Commissioners, COA Directors, COA Auditors and All Others Concerned

SUBJECT : Prescribing the Revised Guidelines and Documentary Requirements for Common Government Transactions

This Circular is issued to prescribe the revised guidelines and documentary requirements for common government transactions which incorporated the requirements under existing issuances of this Commission. It supersedes all other COA Circulars, Resolutions, Memoranda and issuances inconsistent herewith.

The Circular shall take effect after fifteen (15) days from publication in newspaper of general circulation.

Quezon City, Philippines.

MA. GRACIA M. PULIDO TAN
Chairperson

JUANITO G. ESPINO, JR.
Commissioner

HEIDI L. MENDOZA
Commissioner

Revised Documentary Requirements for Common Government Transactions

As prescribed under COA Circular No. 2012-001 dated June 14, 2012

COMMISSION ON AUDIT
Commonwealth Avenue, Quezon City, Philippines

Revised Documentary Requirements for Common Government Transactions

Prepared by:

Committee for the Revision
of Auditing Requirements
for Typical Government Disbursements

DOCUMENTARY REQUIREMENTS FOR COMMON GOVERNMENT TRANSACTIONS

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DOCUMENTARY REQUIREMENTS FOR COMMON GOVERNMENT TRANSACTIONS

Fundamental Principles governing the financial transactions and operations of any government agency as provided under Section 4 of Presidential Decree (PD) No. 1445:

1. No money shall be paid out of any public treasury or depository except in pursuance of an appropriation law or other specific statutory authority.
2. Government funds or property shall be spent or used solely for public purposes.
3. Trust funds shall be available and may be spent only for the specific purpose for which the trust was created or the funds received.
4. Fiscal responsibility shall, to the greatest extent, be shared by all those exercising authority over the financial affairs, transactions, and operations of the government agency.
5. Disbursements or disposition of government funds or property shall invariably bear the approval of the proper officials.
6. Claims against government funds shall be supported with complete documentation.
7. All laws and regulations applicable to financial transactions shall be faithfully adhered to.
8. Generally accepted accounting principles and practices as well as of sound management and fiscal administration shall be observed, provided that they do not contravene existing laws and regulations.

General Requirements for All Types of Disbursement

1. Certificate of Availability of Funds issued by the Chief Accountant
2. Existence of lawful and sufficient allotment duly obligated as certified by authorized officials [except for government-owned and controlled corporations/government financing institutions (GOCCs/GFIs)]
3. Legality of transaction and conformity with laws, rules or regulations
4. Approval of expenditure by Head of Office or his authorized representative
5. Sufficient and relevant documents to establish validity of claim

Specific Requirements for Each Type of Disbursement

1.0 Cash Advances

1.1 Granting of Cash Advances

General Guidelines

The rules and regulations on the grant and liquidation of cash advances are prescribed under COA Circular No. 97-002 dated February 10, 1997 and reiterated in COA Circular No. 2009-002 dated May 18, 2009 and Section 89 of PD No. 1445. These guidelines provide, among others:

- No cash advance shall be given unless for a legally authorized specific purpose.
- No additional cash advances shall be allowed to any official or employee unless the previous cash advance given to him is first liquidated and accounted for in the books.
- No cash advance shall be granted for payments on account of infrastructure projects or other undertaking on a project basis.
- A cash advance shall be reported as soon as the purpose for which it was given has been served.

- Only permanently appointed officials shall be designated as disbursing officers. Elected officials may be granted a cash advance only for their official traveling expenses.
- Transfer of cash advances from one Accountable Officer to another shall not be allowed.

Documentary Requirements common to all cash advances except for travels

- ❑ Authority of the accountable officer issued by the Head of the Agency or his duly authorized representative indicating the maximum accountability and purpose of cash advance (for initial cash advance)
- ❑ Certification from the Accountant that previous cash advances have been liquidated and accounted for in the books
- ❑ Approved application for bond and/or Fidelity Bond for the year for cash accountability of ₱2,000 or more

1.1.1 Payroll Fund for Salaries, Wages, Allowances, Honoraria and Other Similar Expenses

The cash advance for payroll fund shall be equal to the net amount of the payroll for the pay period.

Additional Documentary Requirements

- ❑ Approved contracts (for initial payment)
- ❑ Approved Payroll or list of payees indicating their net payments
- ❑ Approval/authority (presidential directive or legislative enactment) or legal basis to pay any allowance/salaries/ wages/fringe benefits
- ❑ Daily time record (DTR) approved by the supervisor

1.1.2 Petty Cash Fund (PCF)

The PCF to be set up shall be sufficient for the recurring petty operating expenses of the agency for one month. The cash advance shall not be used for payment of regular expenses, such as rentals, subscriptions, light and water bills and the like. Payments out of PCF, which shall be made through a Petty Cash Voucher, shall be allowed only for amounts not exceeding ₱15,000 for each transaction, except when a higher amount is allowed by law and/or specific authority by the Commission on Audit. Splitting of transactions to avoid exceeding the ceiling shall not be allowed.

Additional Documentary Requirements for initial cash advances

- ❑ Approved estimates of petty expenses for one month
- ❑ Copy of policy for maintaining PCF under the imprest system for GOCCs

1.1.3 Field/Activity Current Operating Expenses (COE)

The amount of the cash advance shall be limited to the requirements for two months. Additional cash advances shall be granted on the basis of the activity budget or the requirements for two months, whichever is lower.

Additional Documentary Requirement

- ❑ Approved Budget for COE of the agency field office or agency activity in the field

1.1.4 Traveling Allowances

General Guidelines

Under Section 2, Executive Order (EO) No. 248 dated May 29, 1995 as amended by EO No. 248A dated August 14, 1995 and EO No. 298 dated March 23, 2004, travels shall cover only those that are urgent and extremely necessary, will involve the minimum expenditure and are beneficial to the agency concerned and/or the country.

No government fund shall be utilized to defray foreign travel expenses of any government official or employee, except in the case of training, seminar or conference abroad when the officials or other personnel of the foreign mission cannot effectively represent the country therein, and travels necessitated by international commitments; provided that no official or employee, including uniformed personnel of the Department of the Interior and Local Government (DILG) and Department of National Defense (DND) will be sent to foreign training, conferences or attend international commitments when they are due to retire within one year after the said foreign travel [Section 16(c) of Fiscal Year (FY) 2012 General Appropriations Act (GAA) or pertinent provisions of the GAA for the year].

Under Memorandum Circular No. 52 dated October 2, 2003 of the Office of the President, the grant of clothing allowance in all categories of trips is suspended indefinitely.

Traveling allowances granted shall be treated and accounted for as cash advances. No additional cash advance shall be granted to any official or employee unless the previous cash advance given to him for travel is first liquidated and accounted for in the books as stated under Item 4.1.3(ii) of COA Circular No. 2009-002 dated May 18, 2009. The guidelines on the grant of traveling allowances are prescribed under COA Circular No. 96-004 dated April 19, 1996.

1.1.4.1 Local Travel

Documentary Requirements

- ❑ Office Order/Travel Order approved in accordance with Section 3 of EO No. 298
- ❑ Duly approved itinerary of travel
- ❑ Certification from the accountant that the previous cash advance has been liquidated and accounted for in the books

1.1.4.2 Foreign Travel

Documentary Requirements

- ❑ Office Order/Travel Order approved in accordance with the provisions of Sections 1 and 2 of EO No. 459 dated September 1, 2005
  - o As approved by the Office of the President in case of the following officials:
    - Members of the cabinet and officials of equivalent rank

- Heads of GOCCs and GFIs under or attached to the Office of the President
- Heads of agencies under or attached to the Office of the President (OP)

The Chief Justice and Associate Justices of the Supreme Court were exempted under Memorandum Order No. 26 dated July 31, 1986. Under EO No. 477 dated August 21, 1991, the Chairmen and Commissioners of the Constitutional Commissions, Chairman and Members of the Commission on Human Rights, Ombudsman and Deputy Ombudsmen were also exempted from securing prior approval from the Office of the President in connection with travels abroad.

- o As approved by the respective heads of agencies in the case of other government officials and employees regardless of the length of travel:
  - National agencies – Department Secretaries or their equivalents
  - GOCCs and GFIs attached to the OP – Heads of the GOCCs or GFIs
  - GOCCs and GFIs not attached to the OP – Department Heads to which they are attached
  - Provincial Governors and Mayors of highly urbanized cities or independent component cities – Secretary of the Department of the Interior and Local Government
  - State Universities and Colleges (SUCs) – Chairman of Commission on Higher Education (CHED) in the case of heads of the SUCs and respective heads in the case of all other officials and employees
  - Technical and Vocational Schools – Chairman of Technical Education and Skills Development Authority (TESDA) in the case of heads of technical and vocational schools and respective heads in the case of all other officials and employees

- ❑ Duly approved itinerary of travel
- ❑ Letter of invitation of host/sponsoring country/agency/ organization
- ❑ For plane fare, quotations of three travel agencies or its equivalent
- ❑ Flight itinerary issued by the airline/ticketing office/travel agency
- ❑ Copy of the United Nations Development Programme (UNDP) rate for the daily subsistence allowance (DSA) for the country of destination for the computation of DSA to be claimed
- ❑ Document to show the dollar to peso exchange rate at the date of grant of cash advance
- ❑ Where applicable, authority from the OP to claim representation expenses
- ❑ In case of seminars/trainings
  - o Invitation addressed to the agency inviting participants (issued by the foreign country)

- Acceptance of the nominees as participants (issued by the foreign country)
- Programme Agenda and Logistics Information

❑ Certification from the accountant that the previous cash advance has been liquidated and accounted for in the books

1.2 Liquidation of Cash Advances

General Guidelines

The accountable officer shall liquidate cash advances within the following period:

- Salaries, Wages, Allowances, Honoraria and Other Similar Payments – within five calendar days after the end of the pay period
- Field Operating Expenses – within 20 calendar days after the end of the year subject to replenishment as frequently as necessary during the year
- Petty Cash Fund (PCF) – as soon as the disbursements reaches 75 percent or as needed, the PCF shall be replenished which shall be equal to the total amount of expenditures made therefrom. In case of termination, resignation, retirement or dismissal of the PCF custodian, immediately thereafter.
- Traveling Expenses – within 30 days after the return of the official/employee concerned to his official station for local travel and within 60 days after the return of the official/employee concerned to the Philippines in the case of foreign travel.
- Special purpose – as soon as the purpose of the cash advance has been served.

Documentary Requirements

1.2.1 Payroll Fund for Salaries, Wages, Allowances, Honoraria and Other Similar Expenses

❑ Report of Disbursements certified correct by the accountable officer
❑ Approved payrolls/vouchers duly acknowledged/signed by the payee/s
❑ Approved daily time records (DTRs) or Certificate of Service
❑ Approved application for leave
❑ In case of payment of personnel under the "job order" status, duly verified/accepted accomplishment report
❑ Official Receipt (OR) in case of refund for unclaimed salaries
❑ Authority from the claimant and identification documents, if claimed by person other than the payee
❑ Such other pertinent supporting documents as are required by the nature of expense

1.2.2 Petty Cash Fund

❑ Summary of Petty Cash Vouchers
❑ Report of Disbursements
❑ Petty Cash Replenishment Report
❑ Approved purchase request with certificate of Emergency Purchase, if necessary
❑ Bills, receipts, sales invoices
❑ Certificate of inspection and acceptance
❑ Report of Waste Materials in case of replacement/repair
❑ Approved trip ticket, for gasoline expenses

- ❑ Canvass from at least three suppliers for purchases involving ₱1,000 and above, except for purchases made while on official travel
- ❑ Summary/Abstract of Canvass
- ❑ Petty Cash Vouchers duly accomplished and signed
- ❑ OR in case of refund
- ❑ For reimbursement of toll receipts
  - o Toll Receipts
  - o Trip tickets
- ❑ Such other supporting documents that may be required and/or required under the company policy depending on the nature of expenses

1.2.3 Field/Activity Current Operating Expenses

- ❑ Same requirements as those for salaries, petty operating expenses, other personal services, and maintenance and other operating expenses depending on the nature of expenses incurred

1.2.4 Traveling Expenses

1.2.4.1 Local Travel

Documentary Requirements

- ❑ Paper/electronic plane, boat or bus tickets, boarding pass, terminal fee
- ❑ Certificate of appearance/attendance
- ❑ Copy of previously approved itinerary of travel
- ❑ Revised or supplemental Office Order or any proof supporting the change of schedule
- ❑ Revised Itinerary of Travel, if the previous approved itinerary was not followed
- ❑ Certification by the Head of Agency as to the absolute necessity of the expenses together with the corresponding bills or receipts, if the expenses incurred for official travel exceeded the prescribed rate per day (certification or affidavit of loss shall not be considered as an appropriate replacement for the required hotel/lodging bills and receipts)
- ❑ Liquidation Report
- ❑ Reimbursement Expense Receipt (RER)
- ❑ OR in case of refund of excess cash advance
- ❑ Certificate of Travel Completed
- ❑ Hotel room/lodging bills with official receipts in the case of official travel to places within 50-kilometer radius from the last city or municipality covered by the Metro Manila Area, or the city or municipality where their permanent official station is located in the case of those outside the Metro Manila Area, if the travel allowances being claimed include the hotel room/lodging rate

1.2.4.2 Foreign Travel

Documentary Requirements

- ❑ Paper/electronic plane tickets, boarding pass, boat or bus ticket

- ❑ Certificate of appearance/attendance for training/seminar/ participation
- ❑ Bills/receipts for non-commutable representation expenses approved by the President under Section 13 of EO No. 248
- ❑ For reimbursement of actual travel expenses in excess of the prescribed rate (EO No. 298):
    - o Approval by the President
    - o Certification from the Head of Agency that it is absolutely necessary
    - o Hotel room bills with official receipts (certification or affidavit of loss shall not be considered as an appropriate replacement for the required hotel/lodging bills and receipts)
- ❑ Revised Itinerary of Travel, if applicable
- ❑ Narrative report on trip undertaken/Report on Participation
- ❑ OR in case of refund of excess cash advance
- ❑ Certificate of Travel Completed
- ❑ Liquidation Report

2.0 Fund Transfers to Non-Government Organizations/People's Organizations (NGOs/POs)

General Guidelines

NGOs/POs are not allowed to participate in the implementation of any program or project of government agencies until such time that any earlier fund releases availed by the said NGOs/POs shall have been fully liquidated pursuant to pertinent accounting and auditing rules and regulations as certified by the Head of the Agency concerned and the COA Auditor. Government agencies shall, likewise, ensure that the NGOs/POs that they deal with are legitimate. A report on the fund releases indicating the names of NGOs/POs shall be prepared by the agency concerned and duly audited by the COA and shall be submitted to the Senate Committee on Finance and House Committee on Appropriations (Section 77 of FY 2012 GAA or pertinent provisions of the GAA for the year).

As provided for under Section 4.5.6 of COA Circular No. 2007-001, no NGO/PO shall be a recipient of funds where any of the provisions thereat and the Memorandum of Agreement (MOA) entered into with the Government Organization (GO) has not been complied with, in any previous undertaking with funds allocated from the GO.

The guidelines in the granting, utilization and accounting of funds released to NGOs/POs are prescribed under COA Circular No. 2007-001 dated October 25, 2007, COA Circular No. 2009-007 dated September 25, 2009 and Government Procurement Policy Board (GPPB) Resolution No. 12-2007 dated June 29, 2007.

2.1 Release of Funds

Documentary Requirements

- ❑ Approved Summary of Budgetary Requirements detailing the items of expenditure/disbursement to be incurred in the program/project
- ❑ List of priority projects which may be implemented by the NGO/PO published in the newspaper, agency website, bulletin board and the like

- ❑ Accreditation of the NGO/PO by the Bids and Awards Committee (BAC) of the grantee agency
- ❑ Results of evaluation of financial and technical capability of selected NGO/PO
- ❑ Performance security for infrastructure project
- ❑ NGO/PO proposal or application for funding accompanied by:
    - o Certificate of registration from Securities and Exchange Commission (SEC) or either Cooperative Development Authority (CDA) or Department of Labor and Employment (DOLE) as the case may be
    - o Authenticated copy of the latest Articles of Incorporation or Articles of Cooperation as the case may be, showing the original incorporators/organizers and the Secretary's certificate for incumbent officers, together with the Certificate of Filing with the SEC/Certificate of Approval by the CDA
    - o Audited financial reports for the past three years preceding the date of project implementation. For NGO/PO which has been in operation for less than three years, financial reports for the years in operation and proof of previous implementation of similar projects
    - o Disclosure of other related business, if any
    - o Work and Financial Plan (WFP), and sources and Details of Proponent's Equity Participation in the Project
    - o Complete project proposal approved/signed by officers
    - o List and/or photographs of similar projects previously completed, if any, indicating the source of funds for implementation
    - o Sworn affidavit of the secretary of the NGO/PO that none of its incorporators, organizers, directors or officers is an agent of or related by consanguinity or affinity up to the fourth civil degree to the official of the agency authorized to process and/or approve proposed MOA, and release funds
- ❑ Document showing that NGO/PO has equity equivalent to 20 percent of the total project cost, which shall be in the form of labor, land for the project site, facilities, equipment and the like, to be used in the project
- ❑ Certification from the Accountant that the previous cash advance granted to the NGO/PO has been liquidated, liquidation documents are post-audited and properly taken up in the books
- ❑ Memorandum of Agreement (MOA) incorporating therein the following terms and provisions:
    - o Project name, intended beneficiaries, benefits to be delivered, project cost estimates, brief description of project and its site/location;
    - o Systems and procedures to implement the project such as, but not limited to, procurement of goods and services by the NGO/PO and their distribution which should be documented and coordinated with the GO's authorized officials and the respective barangays;
    - o Time schedules for the releases of funds, periodic inspection/evaluation, reporting, monitoring requirements, date of commencement and date of completion (releases of funds after the initial fund transfer must be output-based, that is, subsequent fund releases must be dependent on 100% delivery of physical status of the project corresponding to the previous funds received by the NGO/PO);
    - o Submission of the required periodic financial and physical status reports (no subsequent fund transfer must be granted unless previous fund transfers have been liquidated and required physical status report has been submitted);
    - o Specific period to liquidate the funds granted to NGO/PO with the GO;

- In case of construction projects like school buildings, housing, and other similar structures, and acquisition of assets like vehicles and equipment, a stipulation of turnover of ownership of the infrastructure or fixed asset (in the procurement of any type of asset out of government funds, the NGO/PO shall conduct simple bidding or canvass to ensure the best terms and quality of purchase);
- In case the asset shall be owned by a specific beneficiary, a stipulation that a Deed of Donation shall be executed by the GO after the completion of the project;
- Monitoring and inspection of project implementation and verification of financial records and reports of the NGO/PO by the GO;
- Visitorial audit by the officials and personnel of the COA authorized to perform the audit under an approved office order;
- Institution of legal action by the GO against the defaulting NGO/PO which fails to complete a project covered by the MOA, or for a material violation of the provisions of the MOA or of this Circular, and in any of these cases, its subsequent disqualification from applying for another project in any other GO;
- In case of the dissolution of the recipient NGO/PO, voluntary or involuntary, the lien of the granting GO on its assets, in accordance with existing laws, to the extent of the unexpended or unutilized portion of the fund;
- Maintenance by the NGO/PO of a separate savings/current account for each fund received from the GO; and
- The return by the NGO/PO to the granting GO of any amount not utilized to complete the project, including interest, if any.

☐ Other relevant requirements under GPPB Resolution No. 12-2007 dated June 29, 2007

2.2 Implementation and Liquidation of Funds Released

General Guidelines

No portion of the funds granted to the NGO/PO shall be used for the following (Section 6 of COA Circular No. 2007-001 dated October 25, 2007):

- Money market placement, time deposit or other forms of investment
- Cash advance of any official of the NGO/PO unless related to the implementation of the project
- Payment of salaries, honoraria or any form of allowances of the personnel of the GO or the NGO/PO who are not connected with the project
- Purchase of supplies, materials, equipment and motor vehicles of the GO
- Acquisition of assets of the NGO/PO, unless necessary for the prosecution of the project and specifically stipulated in the MOA

Documentary Requirements

☐ Final fund utilization report, indicating the summary of expenses and the status report of accomplishments, certified by the accountant, approved by the President/Chairman of the NGO/PO and verified by the internal auditor or equivalent official of the GO

☐ Pictures of implemented projects

☐ Inspection report and certificate of project completion issued by the GO authorized representative

- ❑ List of beneficiaries with their signatures signifying their acceptance/ acknowledgment of the project/funds/goods/services received
- ❑ Proof of verification by the GO official of the validity of the documents submitted by the NGO/PO
- ❑ OR issued by the granting GO acknowledging return by the NGO/PO of any unutilized/excess amount of cash advance, including interest, if any
- ❑ List of equipment/vehicles procured by the NGO/PO out of the project funds indicating its brief description, date acquired, acquisition cost and final disposition
- ❑ Warranty for procurement of equipment and projects
- ❑ In case of dissolution of the recipient NGO/PO, in addition to the OR acknowledging return of unutilized amount, copy of the vouchers paid by the NGO/PO
- ❑ Liquidation Report

2.3 Staggered Release of Funds to NGO/PO

Documentary Requirements

- ❑ Duly approved Schedule of Fund Release to NGO/PO
- ❑ Interim Fund Utilization Report on the previous release certified by the NGO/PO's Accountant, approved by its President/Chairman and verified by the internal auditor or equivalent official of the GO showing a summary of expenses and a status report of accomplishment evidenced by pictures
- ❑ List of beneficiaries of previous releases with their signatories signifying their acceptance/acknowledgment of the project funds/goods/services

3.0 Fund Transfers

3.1 Transfer of Funds to Implementing Agencies

General Guidelines

Fund transfers should be properly taken up in the books of both agencies, used only for the purpose intended, and properly accounted and reported (COA Circular No. 94-013 dated December 13, 1994).

Documentary Requirements

3.1.1 Transfer

Source Agency:

- ❑ Copy of MOA/Trust Agreement
- ❑ Copy of Approved Program of Work (for infrastructure project)
- ❑ Approved Project Expenditures or Estimated Expenses indicating the project objective and expected output (for other projects)
- ❑ For GOCCs, Board Resolution ratifying the MOA in case of transfers not incorporated in the Corporate Operating Budget and/or beyond the signing authority of the Agency Head
- ❑ For local government units (LGUs), as clarified under COA Memorandum No. 2010-014 dated April 22, 2010, authorization by

local Sanggunian for the Local Chief Executive to enter into contract in case of the following:

- In the case of a reenacted budget:
  - For new contracts entered into by the local chief executive for contractual obligations included in the previous year's annual and supplemental budget
- In the case of the regularly enacted budget:
  - For projects described in generic terms, such as infrastructure projects, inter-municipal waterworks, drainage and sewerage, flood control, irrigation system projects, reclamation projects, or roads and bridges
  - For purchase of goods and services which are neither specified nor encompassed within the regular personal services and maintenance operating expenses

- ❑ Certification by the Accountant that funds previously transferred to the Implementing Agency (IA) has been liquidated, post audited and accounted for in the books
- ❑ Copy of the OR issued by the IA to the Source Agency acknowledging receipt of funds transferred (for post-audit activities)

3.1.2 Implementation and Liquidation

Implementing Agency:

- ❑ Necessary supporting documents depending on the nature of transactions
- ❑ Copy of MOA/Trust Agreement
- ❑ Copy of OR upon receipt of funds transferred
- ❑ Copy of OR issued by the Source Agency evidencing refund of unexpended/unutilized balance of fund transfer

3.1.3 Liquidation

Source Agency:

- ❑ Report of Checks Issued and Report of Disbursements certified correct by the Accountant, approved by the Head of the IA, and duly audited by the Auditor of the IA
- ❑ Copy of Credit Notice issued by the Auditor of the IA
- ❑ Copy of OR issued for the refund of unexpended/unutilized balance of fund transferred

3.2 From Trust Fund to the General Fund for unspent balance/excess amount

Documentary Requirements

- ❑ Report of Receipt, Disbursement and Fund Balance certified by Accountant
- ❑ Contract, which may be a MOA, Trust Agreement or Memorandum of Understanding governing the utilization of funds and disposition of any balance thereof after completion of the purpose of the funds transferred
- ❑ Letter of IA to Source Agency to transfer the unexpended balance to the General Fund duly approved by the Source Agency, if the disposition thereof has not been provided in the MOA, Trust Agreement or Memorandum of Understanding

4.0 Salary

General Guidelines

The personnel benefits costs of government officials and employees shall be charged against the funds from which their salaries are paid. All authorized supplemental or additional compensation, fringe benefits and other personal services costs of officials and employees whose salaries are drawn from special accounts or special funds shall similarly be charged against the corresponding fund from which their basic salaries are drawn. In no case shall such personnel benefits costs be charged against the General Fund of the National Government.

Personnel benefits costs shall include salary increases, step increment, incentive and service fees, commutation of vacation and sick leaves, retirement and life insurance premiums, compensation insurance premiums, health insurance premiums, Home Development Mutual Fund (HDMF) contributions, hospitalization and medical benefits, scholarship and educational benefits, training and seminar expenses, all kinds of allowances, whether commutable or reimbursable, in cash or in kind, and other personnel benefits and privileges authorized by law, including the payment of retirement gratuities, separation pay and terminal leave benefits.

If the personnel benefits costs of government officials and employees, in whatever form, are partly sourced from the General Fund and partly from other sources, then in determining the fund source for payment of retirement gratuity and terminal leave benefits, only the portion attributed to personnel benefits cost charged against the General Fund shall be sourced from such. In no case shall personnel benefits costs charged against another source be charged against the General Fund (Section 35 of FY 2012 GAA or pertinent provisions of the GAA for the year).

GOCCs and GFIs, which are exempt from or are legally enjoying special compensation and other benefits superior to those provided under Republic Act (RA) No. 6758, as amended, shall be governed by their special compensation laws. Accordingly, they shall not be entitled to the compensation and other benefits provided under or granted by virtue of RA No. 6758, as amended (President's Veto Message, February 8, 2010, page 1236, RA No. 9970).

For LGUs, the budget limitations for Personal Services (PS) provided under Section 325(a) of the Local Government Code (RA No. 7160) of 45 percent, in case of first to third class provinces, cities and municipalities, and 55 percent, in case of fourth class or lower, of the total income from regular sources realized in the next preceding fiscal year shall be strictly observed.

4.1 Individual Claims

4.1.1 First Salary

Documentary Requirements

- ❑ Certified true copy of duly approved Appointment
- ❑ Assignment Order, if applicable
- ❑ Certified true copy of Oath of Office
- ❑ Certificate of Assumption
- ❑ Statement of Assets, Liabilities and Net Worth
- ❑ Approved DTR

- ❑ Bureau of Internal Revenue (BIR) withholding certificates (Forms 1902 and 2305)
- ❑ Payroll Information on New Employee (PINE) (for agencies with computerized payroll systems)
- ❑ Authority from the claimant and identification documents, if claimed by person other than the payee

Additional Requirements for transferees (from one government office to another)

- ❑ Clearance from money, property and legal accountabilities from the previous office
- ❑ Certified true copy of pre-audited disbursement voucher of last salary from previous agency and/or Certification by the Chief Accountant of last salary received from previous office duly verified by the assigned auditor thereat
- ❑ BIR Form 2316 (Certificate of Compensation Payment/Tax Withheld)
- ❑ Certificate of Available Leave Credits
- ❑ Service Record

4.1.2 Salary (if deleted from the payroll)

Documentary Requirements

- ❑ Approved DTR
- ❑ Notice of Assumption
- ❑ Approved Application for Leave, Clearances, and Medical Certificate, if on sick leave for five days or more

4.1.3 Salary of Casual/Contractual Personnel

General Guidelines

When authorized to, and within limits of their respective appropriations, agencies may hire casual and contractual personnel as part of the organization. Casual personnel are hired to perform essential and necessary services where there are not enough regular staff to meet the demands of the service, while contractual personnel are hired to undertake a specific work or job for a limited period not to exceed one year. An appointment issued in accordance with pertinent laws and rules shall take effect immediately upon its issuance by the appointing authority and assumption of duties of the position by the appointee.

An appointment shall be submitted to the Civil Service Commission (CSC) within 30 calendar days from the date of issuance, which shall be the date indicated below the signature of the appointing authority. Otherwise, it shall be made effective 30 days prior to date of submission to CSC. In case of appointments issued by accredited agencies, the Report of Personnel Actions (ROPA) together with photocopies of appointments issued during the month shall be submitted within 15 days of the succeeding month. Appointments not submitted within the prescribed period shall be made effective thirty 30 days prior to date of submission (CSC – Revised Omnibus Rules on Appointments and other Personnel Actions).

Documentary Requirements

- ☐ For accredited agencies by the CSC (for first claim)
  - o Certified true copy of the pertinent contract/appointment/job order
  - o Copy of the ROPA of the pertinent contract/appointment marked received by the CSC
- ☐ For other agencies (for first claim)
  - o Certified copy of the pertinent contract/appointment/job order marked received by the CSC
- ☐ Certification by the Local Chief Executive (LCE), in case of LGUs, that the employment/hiring is still within the Personal Services (PS) limitation prescribed under Section 325(a) of RA No. 7160
- ☐ Certification by the LCE/Personnel Officer that the activities/services cannot be provided by regular or permanent personnel of the agency (for first claim)
- ☐ Accomplishment Report
- ☐ Approved DTR

4.1.4 Salary Differentials due to Promotion and/or Step Increment

Documentary Requirements

- ☐ Certified true copy of approved appointment in case of promotion or Notice of Salary Adjustment in case of step increment/salary increase
- ☐ Certificate of Assumption
- ☐ Approved DTR or certification that the employee has not incurred leave without pay
- ☐ Certification by the LCE, in case of LGUs, that the promotion/step increment is still within the PS limitation prescribed under Section 325(a) of RA No. 7160

4.1.5 Last Salary

Documentary Requirements

- ☐ Clearance from money, property and legal accountabilities
- ☐ Approved DTR

4.1.6 Salary due to heirs of deceased employee

Documentary Requirements

- ☐ Same requirements as those for last salary
- ☐ Additional requirements:
  - o Death Certificate authenticated by National Statistics Office (NSO)
  - o Marriage Contract authenticated by NSO, if applicable
  - o Birth Certificates of surviving legal heirs authenticated by NSO
  - o Designation of next-of-kin
  - o Waiver of right of children 18 years old and above

4.1.7 Maternity Leave

General Guidelines

Female permanent and regular employees in the government service who have rendered an aggregate of 2 or more years of service shall, in addition to the vacation and sick leave granted them, be entitled to maternity leave of 60 calendar days with full pay. Those who have rendered 1 year or more but less than 2 years of service shall be entitled to 60 days maternity leave with payment in proportion to their length of service, while those who have served for less than 1 year shall be entitled to 60 days maternity leave with half pay (Section 11 of the Omnibus Rules on Leave, Rule XVI of the Omnibus Rules Implementing Book V of EO No. 292).

When a female employee wants to report back to duty before the expiration of her maternity leave, she may be allowed to do so provided that she presents a medical certificate that she is physically fit to assume the duties of her position (Section 14 of the Omnibus Rules on Leave, Rule XVI of the Omnibus Rules Implementing Book V of EO No. 292).

In the case of those in the teaching profession, maternity benefits can be availed of even if the period of delivery occurs during the long vacation, in which case, both the maternity benefits and the proportional vacation pay shall be received by the teacher concerned [Section 14 of CSC Memorandum Circular (MC) No. 14, s. 1999].

The commuted money value of the unexpired portion of the leave need not be refunded and that when the employee returns to work before the expiration of her maternity leave, she may receive both the benefits granted under the maternity leave law and the salary for actual services rendered effective the day she reports for work (CSC Resolution No. 02-1420 dated October 22, 2002).

Documentary Requirements

- ❑ Certified true copy of approved application for leave
- ❑ Certified true copy of Maternity leave clearance
- ❑ Medical certificate for maternity leave

Additional Requirements for Unused Maternity Leave (upon assumption before the expiration of the 60-day maternity leave)

- ❑ Medical certificate that the employee is physically fit to work
- ❑ Certificate of assumption
- ❑ Approved DTR

4.2 General Claims through the Automated Teller Machine (ATM)

Documentary Requirements

- ❑ Salary Payroll
- ❑ Payroll Register (hard and soft copy)
- ❑ Letter to the Bank to credit employees' account of their salaries or other claims
- ❑ Validated deposit slips

5.0 Allowances, Honoraria and Other Forms of Compensation

General Guidelines

No official or employee in any of the agencies of the government shall be paid any personnel benefits charged against public funds unless authorized by law. Grant of personnel benefits authorized by law but not supported by specific appropriations shall also be deemed unauthorized (Section 51 of FY 2012 GAA or pertinent provisions of the GAA for the year).

5.1 Personnel Economic Relief Allowance (PERA)

General Guidelines

The PERA shall be paid only when basic pay (salary, wages or base pay) is also paid. It shall be paid to personnel in National Government Agencies (NGAs), GOCCs, GFIs and LGUs (as determined by the Sanggunian) provided they render full-time service for 8 hours per working day, 22 working days per month, inclusive of leaves of absence with pay. The guidelines on the grant of PERA are provided under Department of Budget and Management (DBM) Budget Circular No. 2009-003 dated August 18, 2009. Government personnel authorized to receive overseas allowances shall no longer be entitled to receive the PERA for the duration of their station abroad (Section 39 of FY 2012 GAA or pertinent provisions of the GAA for the year).

Documentary Requirements

- ❑ Same requirements as those for payment of salaries (4.1)

5.2 Representation and Transportation Allowance (RATA)

General Guidelines

The officials/employees who, in the actual performance of their respective functions, are entitled to receive RATA are defined under Section 45 of FY 2012 GAA (or pertinent section of the GAA for the year). Transportation allowances shall not be granted to officials who are assigned or who are presently using government motor transportation. The entitlement of government officials, whose offices were issued government vehicle, to transportation allowance was clarified under COA Circular No. 2000-005 dated October 4, 2000.

In the local government sector, the grant of RATA under the revised rates is subject to the 45 percent/55 percent limitation on personal services expenditures mandated under Section 325(a) of the 1991 Local Government Code (RA No. 7160; DBM Local Budget Circular No. 2009-91 dated March 27, 2009).

The guidelines on the grant of RATA are prescribed under DBM National Compensation Circular (NCC) No. 67 dated January 1, 1992. Officials and employees duly designated by competent authority as Officer-In-Charge of positions entitled to commutable RATA for one full calendar month or more may be authorized to collect the RATA authorized for the said positions, provided it is so specified in the Order designating them as Officer-in-Charge except for the instances defined under Section 3.5 of DBM NCC No. 67 dated January 1, 1992.

An official who is on leave [Vacation Leave (VL)/Sick Leave (SL)/Maternity Leave (ML)] of absence with or without pay for one full calendar month or more is not entitled to collect RATA. However, officials and employees who are on authorized attendance at a training course/scholarship grant/seminar or any other similar activity, which is tantamount to the performance of their regular duties and responsibilities, may be authorized to continue to collect RATA on a reimbursable basis subject to the availability of funds (Sec. 3.3.2 and 3.4 of DBM NCC No. 67 dated January 1, 1992).

For positions without incumbents, a designation may be made only for a maximum of one year (CSC Memorandum Circular No. 06, s. 2005).

Documentary Requirements

- ☐ For Individual Claims
  - Copy of Office Order/Appointment (1st payment)
  - Certificate of Assumption (1st payment)
  - Certification that the official/employee did not use government vehicle and is not assigned any government vehicle
  - Certificate or evidence of service rendered or approved DTR
  - Certification by the LCE, in case of LGUs, that the revised RATA rates is still within the PS limitation prescribed under Section 325(a) of RA No. 7160 (for initial claim)
- ☐ For General Claims
  - RATA Payroll
  - Payroll Register (hard and soft copy)
  - Letter to the Bank to credit employees' account of their RATA claims, if applicable
  - Validated deposit slip, if applicable

5.3 Clothing/Uniform Allowance

General Guidelines

Government personnel who are expected to render at least six consecutive months of service in a particular year including leaves of absence with pay shall be entitled to clothing allowance. Newly hired government personnel shall be entitled to the clothing allowance after they have rendered six consecutive months of service or in the next grant thereof whichever comes later. The clothing allowance of government personnel who are on detail with other government agencies shall be borne by the mother agency.

Government personnel who transferred to other agencies during the first six months of a particular year and were not granted clothing allowance, whether in cash or in kind, by their former agencies, shall be granted clothing allowance by their new agencies. If they transferred to other agencies within the last six months of a particular year, they shall no longer be granted clothing allowance by their new agencies as by then they are deemed to have been granted clothing allowance by their former agencies (DBM Budget Circular No. 2003-8 dated December 8, 2003).

The appropriations provided for each agency may be used for uniform or clothing allowance of employees at not more than ₱5,000 each per annum, subject to the

rules and regulations issued by the DBM. In case of deficiency or in the absence of appropriation for the purpose, the requirements shall be charged against available savings of the agency (Section 40 of FY 2012 GAA or pertinent provisions of the GAA for the year).

The rules and regulations on the grant of uniform/clothing allowance to all government personnel are prescribed under DBM Budget Circular No. 2003-8 dated December 8, 2003, with amendments under DBM Budget Circular No. 2003-8A dated July 2, 2004.

Documentary Requirements for newly hired personnel

- ❑ For Individual Claims
  - o Certified true copy of approved appointment of new employees
  - o Certificate of Assumption of new employees
  - o Certificate of non-payment from previous agency, for transferees
- ❑ General Claims
  - o Clothing/Uniform Allowance Payroll
  - o Payroll Register (hard and soft copy)
  - o Letter to the Bank to credit employees' account of their salaries or other claims
  - o Validated deposit slips

5.4 Subsistence, Laundry and Quarters Allowances

General Guidelines

Subsistence and Laundry Allowance

Public health workers (PHWs) and selected other sectors are allowed under existing laws and regulations to receive laundry and subsistence allowances.

Quarters Allowance

Officials and employees who, by virtue of their positions, are entitled to quarters privileges as authorized by law shall be provided free quarters within their office premises. Officials and employees of equivalent rank who are transferred from one station to another by virtue of agency policies on reshuffling or rotation of personnel and do not own houses or rooms therein, shall also be provided free quarters within their office premises (Section 47 of FY 2012 GAA or pertinent provisions of GAA for the year).

Documentary Requirements

- ❑ Payroll of personnel entitled to claim subsistence, laundry and quarters allowance
- ❑ Approved DTR
- ❑ Authority to collect (for initial claim)

5.5 Productivity Incentive Allowance (PIB)

General Guidelines

The PIB is given to government personnel in recognition of the government employees' productivity and performance. The guidelines on the grant of PIB are

provided under DBM NCC No. 73 dated December 27, 1994 as supplemented by NCC No. 73A dated March 1, 1995, DBM Circular Letter No. 3-96 dated January 15, 1996, DBM Circular Letter No. 2001-06 dated March 2, 2001 and DBM Circular Letter No. 2002-03 dated January 2, 2002.

Documentary Requirements

- ❑ For Individual Claims
  - o Certification that the performance ratings for the two semesters given to the personnel of the concerned division/office is at least satisfactory
  - o Certification from the Legal Office that the employee has no administrative charge
- ❑ General Claims
  - o PIB Payroll
  - o List of personnel who were suspended either preventively or as a penalty as a result of an administrative charge within the year for which PIB is paid, regardless of the duration (except if the penalty meted out is only a reprimand)
  - o List of personnel dismissed within the year
  - o List of personnel on Absent Without Official Leave (AWOL)
  - o Certification that the performance ratings for the two semesters given to the personnel of the concerned division/office is at least satisfactory
  - o Payroll Register (hard and soft copy)
  - o Letter to the Bank to credit employees' account of their PIB claims
  - o Validated deposit slips

5.6 Special Counsel Allowance

General Guidelines

Lawyer personnel, including those designated to assume the duties of a legal officer and those in the legal staff of departments, bureaus, offices or agencies of the national government deputized by the Office of the Solicitor General (OSG) to appear in court as special counsel in collaboration with the Solicitor General or prosecutors concerned are hereby authorized to receive an allowance of ₱1,000 for each appearance or attendance in a court hearing except pursuant to a motion for extension, chargeable to savings in the appropriations of their respective offices, but not exceeding ₱4,000 per month. The special counsel allowance shall not be granted to lawyer-personnel appearing before quasi-judicial and administrative agencies. The grant of this allowance shall be subject to the guidelines issued by the DBM (Section 42 of FY 2012 GAA or pertinent provisions of the GAA for the year).

Documentary Requirements

- ❑ Office Order/Designation/Letter of the OSG deputizing the claimant to appear in court as special counsel
- ❑ Certificate of Appearance issued by the Office of the Clerk of Court
- ❑ Certification that the cases to be attended by the lawyer personnel are directly related to the nature/function of the particular office represented
- ❑ Certification issued by the concerned lawyer and the Agency Accountant that the amount being claimed is still within the limitation under the GAA of ₱4,000 per month

5.7 Honoraria

General Guidelines

Government personnel performing activities or discharging duties in addition to, or over and above their regular functions may be granted honoraria.

5.7.1 Government Personnel involved in Government Procurement

The guidelines in the grant of honoraria to government personnel involved in government procurement are prescribed under DBM Budget Circular No. 2004-5A dated March 23, 2004 as amended by DBM Budget Circular No. 2007-3 dated November 29, 2007. The honoraria shall be sourced from the following:

- Collections from successfully completed procurement projects limited however, to activities prior to awarding of contracts to winning bidders:
  - Proceeds from sale of bid documents
  - Fees from contractor/supplier registry
  - Fees charged for copies of minutes of bid openings, Bids and Awards Committee (BAC) resolutions and other BAC documents
  - Protest fees
  - Proceeds from bid security forfeiture
- Savings realized from the current year's specific budget of the agency under the GAA
- In the case of GOCCs, savings from the DBM-approved corporate operating budgets
- In the case of LGUs, savings from the local budgets approved by their respective Sanggunian subject to the pertinent provisions of the Local Government Code of 1991 (RA No. 7160).

Under DBM Circular No. 2004-5A, the payment of honoraria shall be limited to:

- Successfully completed procurement project. A procurement project shall be considered successfully completed once the contract has been awarded to the winning bidder.
- Procurement that involves public bidding. Public bidding activities are present only in:
  - Competitive bidding
  - Limited source bidding
  - Negotiated procurement, only when resorted to after there has been failure of bidding for the second time

The honoraria per completed procurement project shall not exceed ₱3,000 for BAC Chair, ₱2,500 for BAC members and ₱2,000 for each Technical Working Group (TWG) Chair and Members. The average amount of honoraria per month over one year shall not exceed 25 percent of the basic monthly salary.

Documentary Requirements

- ❑ Office Order creating and designating the BAC composition and authorizing the members to collect honoraria
- ❑ Minutes of BAC Meeting
- ❑ Notice of award to the winning bidder of procurement activity being claimed
- ❑ Certification that the procurement involves competitive bidding
- ❑ Attendance Sheet listing names of attendees to the BAC meeting

5.7.2 Teaching Personnel [Department of Education (DepEd), TESDA, SUCs and other educational institutions]

General Guidelines

Payment of honoraria to teaching personnel engaged in actual classroom teaching whose teaching load is outside of the regular office hours or in excess of the required load is prescribed under Section 3 of Administrative Order No. 103 dated August 31, 2004.

Documentary Requirements

- ❑ Certification from the Registrar/Dean of College that the load is in excess of the regular load or outside the regular office hours
- ❑ Schedule of classes indicating the designated teaching personnel
- ❑ Certificate of actual conduct of classes and/or Accomplishment Report
- ❑ Approved DTR/Service Report

5.7.3 Governing Boards of Collegial Bodies

General Guidelines

The guidelines in the grant of honoraria to the governing boards of collegial bodies are prescribed under DBM National Budget Circular No. 2007-510 dated May 8, 2007.

Documentary Requirements

- ❑ Appointment / designation as member of the Board
- ❑ Certification that the claimant is not an appointee to a regular position in the governing board of the collegial body who receives salaries, regular allowances and other benefits
- ❑ Minutes of meeting and Attendance Sheet as certified by the Board Secretary

5.7.4 Lecturer/Coordinator

General Guidelines

Payment of honoraria to lecturers, resource persons, coordinators and facilitators are subject to the guidelines provided under DBM Budget Circular No. 2007-1 dated April 23, 2007.

Documentary Requirements

- ❑ Office Order
- ❑ Coordinator's report on lecturer's schedule
- ❑ Course Syllabus/Program of Lectures
- ❑ Duly approved DTR in case of claims by the coordinator and facilitators

5.7.5 Special Projects

General Guidelines

Payments of honoraria to officials and employees assigned to special projects are subject to the guidelines prescribed under DBM Budget Circular No. 2007-2 dated October 1, 2007. Honoraria received from all special projects shall not exceed twenty-five percent (25%) of the annual basic salary.

Documentary Requirements

- ❑ Performance evaluation plan formulated by project management used as basis for rating the performance of members
- ❑ Office Order designating members of the special project
- ❑ Terms of Reference
- ❑ Certificate of completion of project deliverables
- ❑ Special Project Plan
- ❑ Authority to collect honoraria
- ❑ Certificate of acceptance by the agency head of the deliverables per project component

5.7.6 Science and Technological Activities

General Guidelines

Those who are involved in science and technological activities that has rendered services beyond their regular workload are entitled to honoraria [Section 44(d) of FY 2012 GAA or pertinent provisions of the GAA for the year].

Documentary Requirements

- ❑ Office Order
- ❑ Plan/Program of Activities
- ❑ Accomplishment Report/Certificate of completion of programmed activities
- ❑ Authority to collect honoraria
- ❑ Certificate of acceptance by the Agency Head of the deliverables/ project output

5.8 Hazard Duty Pay

General Guidelines

National government agencies which are not specifically authorized by law to grant Hazard Duty Pay are allowed to use savings under Personal Services for payment thereof to officials and employees who are actually assigned to, and

performing their duties in, strife-torn or embattled areas as may be determined and certified by the Secretary of National Defense. Hazard duty pay shall only be granted for the duration of such assignment (Section 43 of FY 2012 GAA or pertinent provisions of the GAA for the year).

The grant of hazard duty pay shall be subject to the rules and regulations prescribed under DBM Budget Circular No. 2005-4 dated July 13, 2005 and other rules and regulations that may be issued by the DBM.

The payment of Magna Carta benefits under RA No. 7305 (Magna Carta for Public Health Workers) and RA No. 8439 (Magna Carta for Scientists, Engineers, Researchers and Other Science and Technology personnel in the government) shall be limited to the appropriations authorized in the GAA for the purpose. Augmentation thereof from any available savings of the agency shall be subject to the approval by the DBM (Section 41 of FY 2012 GAA or pertinent provisions of the GAA for the year).

Documentary Requirements

- ❑ Certification by the Secretary of the Department of Science and Technology (DOST)/Department of Health (DOH)/Department of National Defense (DND)/Director of the Philippine Institute of Volcanology and Seismology that the place of assignment/travel is a strife-torn/embattled/disease-infested/distresses or isolated areas/stations, or areas declared under state of calamity or emergency, or with volcanic activity and/or eruption
- ❑ Duly accomplished time record of employees or travel report
- ❑ Copy of special order from the agency/department head covering the assignment to hazardous/difficult areas
- ❑ Approved DTR/Service Report

5.9 Longevity Pay

General Guidelines

Longevity Pay or Length of Service Incentive shall be given to an employee who has rendered at least three years of continuous satisfactory service to a particular position and which shall consist of step increments in accordance with the provisions of Joint CSC DBM Circular No. 1, s. 1990, dated March 29, 1990.

For purposes of computing the length of service for the grant of step increment, approved vacation leave without pay for an aggregate of 15 days shall not interrupt the continuity of the three-year service requirement for the grant of step increment. However, if the total number of authorized vacation leave without pay included within the 3-year period exceeds 15 days, the grant of one-step increment will only be delayed for the same number of days that an official or employee was absent without pay (Section 60 of the CSC Omnibus Rules on Leave).

Documentary Requirements

- ❑ Service Record
- ❑ Certification issued by the Personnel Officer that the claimant has not incurred more than 15 days of vacation leave without pay

5.10 Overtime Pay

General Guidelines

Overtime work should be avoided by adequate planning of work activities. It should not be resorted to in the performance of regular/routine work and activities except in cases when unforeseen events and emergency situations will result in any of the following:

- Financial loss to the government or its instrumentalities
- Embarrassment to the government due its inability to meet its commitments
- Negate the purpose for which the work or activity was conceived

As a general rule, the total overtime pay of the employee for a given calendar year shall not exceed 50 percent of his annual basic salary.

The updated guidelines and procedures on the rendition of overtime services are prescribed under DBM Budget Circular No. 10 dated March 29, 1996.

Documentary Requirements

- ☐ Overtime authority stating the necessity and urgency of the work to be done, and the duration of overtime work
- ☐ Overtime work program
- ☐ Quantified Overtime accomplishment duly signed by the employee and supervisor
- ☐ Certificate of service or duly approved DTR

5.11 Year-End Bonus (YEB) and Cash Gift (CG)

General Guidelines

The guidelines on the grant of YEB and CG are provided under DBM Budget Circular No. 2010-1 dated April 28, 2010 which is applicable for FY 2010 and years thereafter.

Documentary Requirements

- ☐ For Individual Claims
  - o Clearance from money, property and legal accountabilities
  - o Certification from head of Office that the employee is qualified to receive the YEB and CG benefits pursuant to DBM Budget Circular No. 2003-2 dated May 9, 2003
- ☐ General Claims
  - o YEB and CG Payroll
  - o Payroll Register (hard and soft copy)
  - o Letter to the Bank to credit employees account of their YEB and CG claims
  - o Deposit slips

5.12 Retirement Benefits

General Guidelines

Appropriations authorized in the GAA to cover retirement gratuity benefit claims shall be released directly to the office and agencies concerned computed based on

the provisions of applicable retirement laws, rules and regulations (Section 52 of FY 2012 GAA or pertinent provisions of the GAA for the year).

The retirement benefits due to government employees under RA No. 8291 [1997 Government Service Insurance System (GSIS) Act] are the following:

- The lump sum equivalent to 60 months of the basic monthly pension (BMP) payable at the time of retirement plus an old-age pension benefit equal to the basic monthly pension payable for life, starting upon the expiration of the five-years covered by the lump sum; or
- A cash payment equivalent to 18 months of his/her basic monthly pension plus monthly pension for life payable immediately.

Conditions for Entitlement to Retirement Benefit:

- He/she has rendered at least 15 years of service;
- He/she is at least 60 years of age at the time of retirement; and
- He/she is not receiving a monthly pension benefit for permanent total disability.

Other Features:

- Retirement shall be compulsory at age 65 years;
- Employees who entered the service before June 1, 1977 and who have not received any separation or retirement benefit have the option to retire under RA Nos. 1616, 660 or 8291; and
- Retirement benefits shall be paid on the last day of service in government if all requirements are submitted to the GSIS at least 30 days prior to the effective date of retirement.

All claims, except claims under RA No. 1616, are paid by the GSIS. The documentary requirements are prescribed by the GSIS.

Documentary Requirements under RA No. 1616

- ❑ Updated Service record indicating the number of days on leave without pay and/or certification issued by the Human Resource Office (HRO) that the retiree did not incur any leave of absence without pay
- ❑ Retirement application
- ❑ Office clearance from money/property accountability & administrative/ criminal liability
- ❑ Statement of assets and liabilities
- ❑ Retirement Gratuity Computation
- ❑ Affidavit of Undertaking for authority to deduct accountabilities
- ❑ Affidavit of applicant that there is no pending criminal investigation or prosecution against him/her (Anti-Graft RA No. 3019)

Additional requirement in case of resignation

- ❑ Employee's letter of resignation duly accepted by the Agency Head

Additional requirements in case of death of claimant

- ❑ Death certificate authenticated by National Statistics Office (NSO)
- ❑ Marriage contract authenticated by NSO
- ❑ Birth certificates of all surviving legal heirs authenticated by NSO

- ❑ Designation of next-of-kin
- ❑ Waiver of rights of children 18 years old and above
- ❑ Affidavit of two disinterested parties that the deceased is survived by legitimate and illegitimate children (if any), natural, adopted or children of prior marriage

5.13 Terminal Leave Benefits

General Guidelines

The guidelines on terminal leave are provided under Rule XVI of the Omnibus Rules Implementing Book V of EO No. 292, as amended by CSC MC Nos. 41 s. 1998, 6 and 14 s. 1999. The computation and funding of terminal leave benefits are provided under DBM Budget Circular No. 2002-1 dated January 14, 2002.

Terminal leave is applied for by an official or an employee who intends to sever his connection with his employer. Accordingly, the filing of application for terminal leave requires as a condition precedent, the employee's resignation, retirement or separation from the service. It must be shown first that public employment ceased by any of the said modes of severances.

Any official or employee of the government who retires, voluntarily resigns, or is separated from the service and who is not otherwise covered by special law, shall be entitled to the commutation of his leave credits exclusive of Saturdays, Sundays and Holidays without limitation and regardless of the period when the credits were earned.

Request for payment of terminal leave benefits must be brought within ten years from the time the right of action accrues upon an obligation created by law. Payment of terminal leave for purposes of retirement or voluntary resignation shall be based on the highest monthly salary received at any time during his period of employment in the government service and not on his latest salary, unless the latter is the highest received by the retiree.

Documentary Requirements

- ❑ Clearance from money, property and legal accountability from the Central Office and from Regional Office of last assignment
- ❑ Certified photocopy of employees leave card as at last date of service duly audited by the Personnel Division and COA/Certificate of leave credits issued by the Admin/Human Resource Management Office (HRMO)
- ❑ Approved leave application
- ❑ Complete service record
- ❑ Statement of Assets, Liabilities and Net Worth (SALN)
- ❑ Certified photocopy of appointment/Notice of Salary Adjustment (NOSA) showing the highest salary received if the salary under the last appointment is not the highest.
- ❑ Computation of terminal leave benefits duly signed/certified by the accountant
- ❑ Applicant's authorization (in affidavit form) to deduct all financial obligations with the employer/agency/LGU
- ❑ Affidavit of applicant that there is no pending criminal investigation or prosecution against him/her (RA No. 3019)
- ❑ In case of resignation, employee's letter of resignation duly accepted by the Head of the Agency

Additional requirements in case of death of claimant

- ❑ Death certificate authenticated by NSO
- ❑ Marriage contract authenticated by NSO
- ❑ Birth certificates of all surviving legal heirs authenticated by NSO
- ❑ Designation of next-of-kin
- ❑ Waiver of rights of children 18 years old and above

5.14 Monetization

General Guidelines

Officials and employees in the career and non-career service, whether permanent, temporary, casual or coterminous, who have accumulated 15 days of vacation leave credits shall be allowed to monetize a minimum of 10 days: Provided that at least 5 days is retained after monetization and provided further that a maximum of 30 days may be monetized in a given year (Section 22 of Omnibus Rules on Leave, Rule XVI of the Omnibus Rules Implementing Book V of Executive Order No. 292).

Under Section 23 of the Omnibus Rules on Leave, monetization of 50 percent or more of accumulated leave credits may be allowed for valid and justifiable reasons, such as:

- Health, medical and hospital needs of the employee and the immediate members of his family
- Financial aid and assistance brought about by *force majeure* events such as calamities, typhoons, fire, earthquake and accidents that affect the life, limb and property of the employee and his/her immediate family
- Educational needs of the employee and the immediate members of his/her family
- Payment of mortgages and loans which were entered into for the benefit or which inured to the benefit of the employee and his/her immediate family
- In cases of extreme financial needs of the employee or his/her immediate family where the present sources of income are not enough to fulfill basic needs such as food, shelter and clothing
- Other analogous cases as may be determined by the CSC

Documentary Requirements

- ❑ Approved leave application (ten days) with leave credit balance certified by the Human Resource Office
- ❑ Request for leave covering more than ten days duly approved by the Head of Agency
- ❑ For monetization of 50 percent or more:
    - o Clinical abstract/medical procedures to be undertaken in case of health, medical and hospital needs
    - o Barangay Certification in case of need for financial assistance brought about by calamities, typhoons, fire, etc.

5.15 Loyalty Cash Award/Incentive

General Guidelines

The guidelines on the grant of Loyalty Cash Award/Incentive are provided under COA Resolution No. 2002-010 dated November 29, 2002 and of Loyalty Award under CSC Memorandum Circular No. 6, s. 2002 dated March 1, 2002.

A loyalty award is granted to all officials and employees, in the national and local governments, including those in the SUCs and GOCCs with original charter, who rendered ten years of continuous and satisfactory service in the government. The agency where the employee or official completed ten years of continuous and satisfactory service shall grant the award.

An official or employee who incurred an aggregate of not more than 50 days authorized vacation leave without pay within the 10-year period shall be considered as having rendered continuous service for purposes of granting the loyalty award. In the same way, an official or employee who incurred an aggregate of not more than 25 days authorized vacation leave without pay within the 5-year period may qualify for the 5-year milestone loyalty award.

Effective January 1, 2002, continuous and satisfactory services in government for purposes of granting loyalty award shall include services in one or more government agencies without any gap. Services rendered in other government agencies prior to January 1, 2002 shall not be considered for purposes of granting the loyalty award.

Documentary Requirements

- ❑ For Individual Claims
  - o Service Record
  - o Certificate of non-payment from previous office (for transferee)
  - o Certification from the HRO that the claimant has not incurred more than 50 days authorized vacation leave without pay within the 10-year period or aggregate of more than 25 days authorized vacation leave without pay within the 5-year period, as the case may be
- ❑ For General Claims
  - o Loyalty Cash Award/Incentive Payroll
  - o Payroll Register (hard and soft copy)
  - o Letter to the Bank to credit employees' account of their salaries or other claims
  - o Deposit slips

5.16 Collective Negotiation Agreement (CNA) Incentive

General Guidelines

The guidelines on the grant of CNA incentives including the allocation of savings generated from cost-cutting measures as a result of the joint efforts of labor and management and the conditions for payment thereof are prescribed under DBM Budget Circular No. 2006-1 dated February 1, 2006.

Documentary Requirements

- ❑ Resolution signed by both parties incorporating the guidelines/criteria for granting CNA incentive
- ❑ Comparative statement of DBM approved level of operating expenses and actual operating expenses
- ❑ Proof of remittance to the National Treasury of its 50 percent dividends share or percentage approved by the Department of Finance on the annual earnings for income-generating GOCCs/GFIs
- ❑ Copy of CNA
- ❑ Certificate issued by the Head of the Agency on the total amount of unencumbered savings generated from cost-cutting measures identified in the CNA which resulted from the joint efforts of labor and management and systems/productivity/income improvement
- ❑ Proof that the planned programs/activities/projects have been implemented and completed in accordance with targets for the year

6.0 Other Expenditures

General Guidelines

The amounts programmed, particularly for, but not limited to, petroleum, oil and lubricants as well as for water, illumination and power services, telephone and other communication services and rent requirements shall be disbursed solely for such items of expenditures. Any savings generated from these items after taking into consideration the agency's full year requirements may be realigned only in the last quarter and subject to the rules and regulations on realignment of funds (Section 57 of FY 2012 GAA or pertinent provisions of the GAA for the year). Use of funds in violation of this section shall be void, and shall subject the erring officials and employees to disciplinary actions in accordance with Section 43, Chapter 5 and Section 80, Chapter 7, Book VI of EO No. 292, and to appropriate criminal action under existing penal laws (Section 58 of FY 2012 GAA or pertinent provisions of the GAA for the year).

6.1 Utility Expenses

Documentary Requirements

- ❑ Statement of Account/Bill (for pre-audit purposes)
- ❑ Invoice/Official Receipt or machine validated statement of account/bill (for post-audit purposes)

6.2 Telephone/Communication Services

Documentary Requirements

- ❑ Statement of Account/Bill
- ❑ Invoice/Official Receipt or machine validated statement of account (for post-audit activities)
- ❑ Certification by Agency Head or his authorized representatives that all National Direct Dial (NDD), National Operator Assisted Calls and International Operator Assisted Calls are official calls

7.0 Extraordinary and Miscellaneous Expenses

General Guidelines

The amount fixed under the GAA for National Government offices and officials shall be the ceiling in the disbursement of extraordinary and miscellaneous expenses. It shall cover extraordinary and miscellaneous expenses and other similar expenses, such as discretionary, business development expenses, representation expenses and the like. The audit guidelines on disbursement for these expenses in National Government Agencies are prescribed under COA Circular No. 89-300 dated March 21, 1989.

For GOCCs/GFIs, the amount authorized in their corporate charters shall be the ceiling in the disbursement of funds. Where no such authority is granted in the corporate charter and the authority to grant extraordinary and miscellaneous expenses is derived from the GAA, the amounts fixed thereunder shall be the ceiling in the disbursements. The guidelines for GOCCs/GFIs are prescribed under COA Circular No. 2006-001 dated January 3, 2006.

For the LGUs, the annual appropriation for discretionary purpose of the local chief executive shall not exceed 2 percent of the actual receipts derived from the basic real property tax in the next preceding calendar year as provided under Section 325(h) of the Local Government Code (RA No. 7160).

Appropriations for extraordinary and miscellaneous expenses may be used for the following purposes, among others:

- Meetings, seminars and conferences
- Official entertainment
- Public relations
- Educational, athletic and cultural activities
- Contributions to civic and charitable institutions
- Membership in government associations
- Membership in national professional organizations duly accredited by the Professional Regulatory Commission
- Membership in the Integrated Bar of the Philippines
- Subscription to professional technical journals and informative magazines and materials (include library books and materials)
- Office equipment and supplies
- Other similar expenses not supported by the regular budget allocation

No portion of the amounts authorized in the GAA shall be used for salaries, wages, allowances, confidential and intelligence expenses. In case of deficiency, the requirements for the foregoing purposes shall be charged against savings of the agency. These expenditures shall be subject to pertinent accounting and auditing rules and regulations (Section 23 of FY 2012 GAA or pertinent provisions of the GAA for the year).

Documentary Requirements

- ❑ Invoices/receipts for GOCCs/GFIs and LGUs
- ❑ Receipts and/or other documents evidencing disbursement, if there are available, or in lieu thereof, certification executed by the official concerned that the expense sought to be reimbursed have been incurred for any of the purposes contemplated under the provisions of the GAA in relation to or by reasons of his position, in case of NGAs
- ❑ Other supporting documents as are necessary depending on the nature of expense charged

8.0 Prisoner's Subsistence Allowance

General Guidelines

Of the amounts appropriated under the GAA for the Bureau of Jail Management and Penology (BJMP) and Bureau of Corrections (BuCor), Fifty Pesos (₱50.00) is appropriated per prisoner as subsistence allowance per day (Item 1 of the Special Provision(s) for BJMP and Item 2 for BuCor of FY 2012 GAA or pertinent provisions of the GAA for the year).

Documentary Requirements

- ❑ By administration thru cash advance
  - o Grant of Cash Advance
    - Roster of Inmates duly certified by the Jail Warden/Superintendent
    - Certification from the concerned officials on actual number of inmates (jail population)
  - o Liquidation of Cash Advance
    - Roster of Inmates duly certified by the Jail Warden/Superintendent
    - Certification from the concerned officials on actual number of inmates (jail population)
    - Summary of Committed and Released Inmates on a daily basis duly signed by the Jail Warden/Superintendent
    - Certificate of discharge on a daily basis, if there is any, duly signed by the Jail Warden/Duty Gater/Superintendent and other responsible officials
    - Report of disbursement duly supported with necessary documents depending on the nature of expenses

- ❑ By catering contract
  - o Roster of Inmates duly certified by the Jail Warden/Superintendent
  - o Certification from the concerned officials on actual number of inmates (jail population)
  - o Summary of Committed and Released Inmates on a daily basis duly signed by the Jail Warden/Superintendent
  - o Certificate of discharge on a daily basis, if there is any, duly signed by the Jail Warden/Duty Gater/Superintendent and other responsible officials
  - o Documentary requirements under procurement depending on the mode of procurement adopted

9.0 Procurement

General Guidelines

Procurement of any branch, agency, department, bureau, office or instrumentality of the government including GOCCs, GFIs, SUCs, and LGUs shall be governed by RA No. 9184 and its Revised Implementing Rules and Regulations (IRR), and other issuances of the General Procurement Policy Board (GPPB). Strict adherence to the procurement procedures, laws, rules and regulation is prescribed under Section 85 of FY 2012 GAA or pertinent provisions of the GAA for the year.

The Philippine Government Electronic Procurement System (PhilGEPS) shall be used as the primary source of information on government procurement of common-use supplies, goods and equipment, and as a repository of all government procurement information. All Invitation to Apply for Eligibility and to Bid, Notices of Award and all other procurement related notices shall be posted in the PhilGEPS Electronic Bulletin Board in accordance with the Revised IRR of RA No. 9184, regardless of the method of procurement used (Section 85 of FY 2012 GAA or pertinent provisions of the GAA for the year).

Under Section 7 of the IRR of RA No. 9184, consistent with government fiscal discipline measures, only those considered crucial to the efficient discharge of government functions shall be included in the Annual Procurement Plan (APP). No procurement shall be undertaken unless it is in accordance with the approved APP of the procuring entity.

As a general rule, all procurement shall be done through public bidding and agencies shall see to it that the procurement program allows sufficient lead time for such public bidding. Under Rule XVI of the Revised IRR of RA No. 9184, alternative modes shall be resorted to only in highly exceptional cases defined therein.

It is further provided under Section 13.1 thereof, that to enhance the transparency of the process, the BAC shall, in all stages of the procurement process, invite, in addition to the representatives of COA, at least two observers.

9.1 Procurement through Public Bidding

Basic Requirements for all types of procurement through public bidding

- ☐ Authenticated photocopy of the approved APP and any amendment thereto
- ☐ Approved contract supported by the following documents which are required under COA Circular No. 2009-001 dated February 12, 2009 and COA Memorandum No. 2005-027 dated February 28, 2005 to be submitted to the Auditor's Office within five days from the execution of the contract:
  - Invitation to Apply for Eligibility to Bid
  - Letter of Intent
  - Results of Eligibility Check/Screening
  - Bidding Documents enumerated under Section 17.1 of the Revised IRR of RA No. 9184 which includes a complete set of approved plans/drawings and technical specifications for infrastructure projects, complete technical description of equipment, aircraft and accessories, scope of works, if applicable, for goods, and rental and repair contracts, and Terms of Reference (TOR) for consultancy services
  - Minutes of Pre-Bid Conference, [Approved Budget for Contract (ABC) ₱1.0 million and above]
  - Agenda and/or Supplemental Bulletins, if any
  - Bidders Technical and Financial Proposals
  - Minutes of Bid Opening
  - Abstract of Bids
  - Post-Qualification Report of Technical Working Group
  - BAC Resolution declaring winning bidder
  - Notice of Post Qualification
  - BAC Resolution recommending approval and approval by the Head of the Procuring Entity of the Resolution of the BAC recommending award of contract
  - Notice of Award
  - Performance Security

- Program of Work and Detailed Estimates
- Notice to Proceed, indicating the date of receipt by the contractor
- Detailed Breakdown of the ABC
- Copy of the Approved PERT/CPM Network Diagram and detailed computations of contract time
- Detailed Breakdown of the Contract Cost:
  - including the detailed breakdown of estimates and/or unit cost analysis/derivation for each work item expressed in volume/area/lump sum/lot for infrastructure projects
  - indicating the following, among others, for consultancy services:
    - Schedule of basic rates certified by the consultant with a sworn statement
    - Derivation of the billing factor/multiplier certified by the consultant with a sworn statement
    - Detailed breakdown of reimbursable costs based on agreed fixed rates and actual costs
  - indicating costs and dates of acquisition of the equipment, quantities and cost of materials, spare parts, and supplies furnished by the contractor for janitorial/security/maintenance services
  - indicating the monthly lease payment and period of lease for lease contracts

☐ Copy of Advertisement of Invitation to Bid/Request for expression of interest

- Newspaper clippings of advertisement (ABC ₱5.0 million and above for infrastructure, ₱2.0 million and above for goods, and ₱1.0 million or four months duration and above for consulting services)
- Printout copy of advertisement posted in PhilGEPS
- Certification from the Head of BAC Secretariat on the posting of advertisement at conspicuous places
- Printout copies of advertisement posted in agency website, if any

☐ Documentary requirements under Sections 23.1 and 25.2.b for infrastructure projects, 23.1 and 25.2a for goods and 24.1 and 25.2c for consulting services, of the Revised IRR of RA No. 9184

☐ Minutes of Pre-procurement Conference for projects costing above ₱5.0 million for infrastructure, ₱2.0 million and above for goods, and ₱1.0 million and above for consulting services

☐ Bid Evaluation Report

☐ Ranking of short listed bidders for consulting services

☐ Post Qualification Evaluation Report

☐ Printout copy of posting of Notice of Award, Notice to Proceed and Contract of award in the PhilGEPS

☐ For LGUs, as clarified under COA Memorandum No. 2010-014 dated April 22, 2010, authorization by local Sanggunian for the Local Chief Executive to enter into contract in case of the following:

- In the case of a reenacted budget:
  - For new contracts entered into by the local chief executive for contractual obligations included in the previous year's annual and supplemental budgets
- In the case of the regularly enacted budget:
  - For projects described in generic terms, such as infrastructure projects, inter-municipal waterworks, drainage and sewerage, flood control, irrigation system projects, reclamation projects, or roads and bridges

- For purchase of goods and services which are neither specified nor encompassed within the regular personal services and maintenance operating expenses

- ❑ Evidence of Invitation of three observers in all stages of the procurement process pursuant to Section 13.1 of the Revised IRR of RA No. 9184
- ❑ Request for purchase or requisition of supplies, materials and equipment duly approved by proper authorities

9.1.1 Infrastructure

General Guidelines

Appropriations authorized under the GAA for the construction of buildings for SUCs, schools, hospitals, sanitaria, health centers and health stations, roads and buildings, and irrigation systems, among others, shall be implemented only in accordance with the appropriate standards and specifications for the planning, survey, design and construction of the project as prescribed by the Department of Public Works and Highway (DPWH), Department of Transportation and Communications (DOTC) or National Irrigation Administration (NIA), as the case may be. In addition, land-use and zoning guidelines as prescribed by existing laws, rules and regulations shall be strictly observed. In the implementation of construction projects, Sections 2-7, 9-10 and 12 of EO No. 182 series of 1997 and other legislations on public works shall be strictly complied with (Section 87 of FY 2012 GAA or pertinent Sections of GAA for the year).

Additional documentary requirements common to all infrastructure transactions

- ❑ Letter request from contractors for advance/progress/final payment or for substitution in case of release of retention money
- ❑ Common to progress/final payments
  - o Statement of Work Accomplished/Progress Billing
  - o Inspection Report by the Agency's Authorized Engineer
  - o Results of Test Analysis, if applicable
  - o Statement of Time Elapsed
  - o Monthly Certificate of Payment
  - o Contractor's Affidavit on payment of laborers and materials
  - o Pictures, before, during and after construction of items of work especially the embedded items
  - o Photocopy of vouchers of all previous payments
  - o Certificate of completion

9.1.1.1 Advance Payment

General Guidelines

The procuring entity shall, upon a written request from the contractor, make an advance payment to the contractor in an amount not exceeding 15 percent of the total contract price to be made in lump-sum or, at the most, two installments according to a schedule specified in the Invitation to Bidders and other relevant Tender Documents. The advance payment shall be made only upon submission to and acceptance by the procuring

entity of an irrevocable standby letter of credit of equivalent value from a commercial bank, a bank guarantee or a surety bond callable upon demand, issued by a surety or insurance company duly licensed by the Insurance Commission and confirmed by the procuring entity (Annex E of the Revised IRR of RA No. 9184).

Additional Documentary Requirements

- ❑ Irrevocable Standby Letter of Credit/Security Bond/Bank Guarantee
- ❑ Such other documents peculiar to the contract and/or to the mode of procurement and considered necessary in the auditorial review and in the technical evaluation thereof

9.1.1.2 Variation Order/Change Order/Extra Work Order

General Guidelines

Variation Order/Extra Work Order may be issued to cover any increase/decrease in quantities, including the introduction of new work items that are not included in the original contract or reclassification of work items either due to change of plans, design or alignment to suit actual field conditions resulting in disparity between the pre-construction plans used for the purpose of bidding and the "as staked plans" or construction drawings prepared after a joint survey by the contractor and the government after award of the contract, provided that the cumulative amount of the positive or additional Variation Order does not exceed 10 percent of the original contract price. The addition/deletion of works under Variation Orders should be within the general scope of the project as bid and awarded. Any cumulative positive Variation Order beyond 10 percent of the original contract price shall be subject of another contract to be bid out if the works are separable from the original contract (Annex E of the Revised IRR of RA No. 9184).

Additional Documentary Requirements

- ❑ Additional documents enumerated under Annex B of COA Memorandum No. 2005-027 dated February 28, 2005 required to be submitted to the Office of the Auditor for the review/evaluation of the changes in the contract:
  - o Copy of Approved Change Order (CO)/Extra Work Order (EWO)
  - o Copy of the approved original plans indicating the affected portion(s) of the project and duly revised plans and specifications, if applicable, indicating the changes made which shall be color coded
  - o Copy of the agency's report establishing the necessity/justification(s) for the need of such CO and/or EWO which shall include: (a) the computation as to the quantities of the additional works involved per item indicating the specific stations where such works are

needed; (b) the date of inspection conducted and the results of such inspection; (c) a detailed estimate of the unit cost of such items of work for new unit costs including those expressed in volume/area/lump-sum/lot

- Copy of the approved/revised PERT/CPM Network Diagram which shall be color coded, reflecting the effect of additional/deductive time on the contract period and the corresponding detailed computations for the additional/deductive time for the subject Change Order/Extra Work Order
- Copy of the approved detailed breakdown of contract cost for the variation order
- Copy of the COA Technical Evaluation Report for the original contract
- If the Variation Order to be reviewed is not the 1st variation order, all of the above requirements for all previously approved variation orders, if not yet reviewed, otherwise, copy of the COA Technical Evaluation Report for the previously approved variation orders
- Additional performance security in the prescribed form and amount if variation order exceeds 10 percent of the original contract cost
- Such other documents peculiar to the contract and/or to the mode of procurement and considered necessary in the auditorial review and in the technical evaluation thereof

9.1.1.3 Progress Payment

General Guidelines

Once a month, the contractor may submit a statement of work accomplished (SWA) or progress billing and corresponding request for progress payment for work accomplished. The SWA should show the amounts which the contractor considers itself to be entitled to, up to the end of the month, to cover the cumulative value of the works executed to date based on the items in the Bill of Qualities and adjustments made for approved Variation Orders executed (Annex E of the Revised IRR of RA No. 9184).

9.1.1.4 Final Payment

General Guidelines

Contractors shall be fully paid only upon completion and acceptance of the project by the agency.

Additional Documentary Requirements

- ☐ As-Built plans
- ☐ Warranty security
- ☐ Clearance from the Provincial Treasurer that the corresponding sand and gravel fees have been paid [DPWH

Department Order (DO) No. 109 s. 1993 dated May 4, 1993 and DO No. 119 s. 1993 dated May 11, 1993]

- ❑ Copy of turn over documents/transfer of project and facilities such as motor vehicle, laptops, other equipment and furniture included in the contract to concerned government agency

9.1.1.5 Release of Retention Money

General Guidelines

The total retention money shall be due for release upon final acceptance of the works. The contractor may, however, request the substitution of the retention money for each progress billing with irrevocable standby letters of credit from a commercial bank, bank guaranties or surety bonds callable on demand, of amounts equivalent to the retention money substituted for and acceptable to the Government, provided that the project is on schedule and is satisfactorily undertaken (Annex E of the Revised IRR of RA No. 9184).

Additional Documentary Requirements

- ❑ Any security in the form of cash, bank guarantee, irrevocable standby letter of credit from a commercial bank, GSIS or surety bond callable on demand
- ❑ Certification from the end-user that the project is completed and inspected

9.1.2 Consulting Services

General Guidelines

The services of consultants may be engaged by any procuring entity for government projects or related activities of such magnitude and/or scope as would require a level of expertise or attention beyond the optimum in-house capacity of the agency concerned and consistent with the government's policy not to compete with the private sector (Annex E of the Revised IRR of RA No. 9184).

Additional Documentary Requirements

- ❑ Additional documents under Annex D of COA Memorandum No. 2005-027 dated February 28, 2005 required to be submitted to the Auditor's Office within five days from the execution of the contract:
  - o If not in the Terms of Reference, appropriate approved documents indicating the expected outputs/deliverables
  - o Copy of the Approved Manning Schedule indicating the names and positions of the consultants and staff and the extent of their participation in the project
  - o Copy of the curriculum vitae of the consultants and staff
- ❑ Letter request for payment from the consultant
- ❑ Approved Consultancy Progress/Final Reports, and/or output required under the contract

- ❑ Progress/Final Billing
- ❑ Contract of Infrastructure Projects subject of Project Management Consultancy Services

9.1.3 Goods

General Guidelines

This refers to all items, supplies, materials and general support services, except consulting services and infrastructure projects, which may be needed in the transaction of public businesses or in the pursuit of any government undertaking, project or activity, whether in the nature of equipment, furniture, stationery, materials for construction or personal property of any kind, including non-personal or contractual services such as the repair and maintenance of equipment and furniture, as well as trucking, hauling, janitorial, security and related or analogous services, as well as procurement of materials and supplies provided by the procuring entity for such services. The term "related" or "analogous services" shall include, but not limited to, lease or purchase of office space, media advertisements, health maintenance services, and other services essential to the operation of the agency [Section 5(r) of the Revised IRR of RA No. 9184].

In addition to the Revised IRR of RA No. 9184, procurement of Goods shall also be governed by the following provisions of FY 2012 GAA or pertinent provisions of the GAA for the year.

- The inventory of supplies, materials and equipment spare parts to be procured out of available funds shall at no time exceed the normal three-month requirement (Section 18).
- Agencies of the government are authorized to make emergency purchases of supplies, materials and spare parts of motor transport equipment when there is an unforeseen contingency requiring immediate purchase, subject to the conditions prescribed under RA No. 9184 and its Revised IRR (Section 19).
- All appropriations for the procurement of equipment, supplies and materials, and other products and services authorized in this Act shall be used in accordance with the provisions of Commonwealth Act (CA) No. 138, Section 43 of RA No. 9184 and its Revised IRR. Accordingly, all departments, bureaus, offices, agencies and instrumentalities of the government, including LGUs and GOCCs, shall give preference to domestic entities and domestic bidders, subject to the following (Section 20):
  - A domestic entity can only claim preference if it secures a certification from the Department of Trade and Industry (DTI), if a sole proprietorship, or the Securities and Exchange Commission (SEC), if a corporation or partnership, that it has all the qualifications required under C.A. No. 138, R.A. No. 9184 and its Revised IRR
  - A domestic bidder can only claim preference if it secures from the DTI a certification that the goods forming part of its bid are substantially composed of articles, materials, or supplies grown, produced, or manufactured in the Philippines

Purchases under foreign military sales agreements, heavy equipment imports for infrastructure projects, and other importations of agencies which are financed by foreign borrowings may be made, subject to the requirements of Letter of Instruction (LOI) No. 880 dated June 21, 1979 and to pertinent budgeting, accounting and auditing laws, rules and regulations. In the utilization of the amounts appropriated herein for infrastructure projects to be undertaken either by administration or by contract, preference shall be given to locally-produced and manufactured materials in accordance with the preceding paragraph, including foreign-assisted projects whose covering loan agreements expressly allow or do not prohibit the same (Section 20 of FY 2012 GAA or pertinent provisions of the GAA for the year).

9.1.3.1 Supplies, Materials, Equipment and Motor Vehicles

General Guidelines

The inventory of supplies, materials and equipment spare parts to be procured out of available funds shall at no time exceed the normal three-month requirement, subject to pertinent rules and regulations issued by competent authority. The heads of departments, bureaus, offices or agencies may increase their inventory of critical supplies and materials in anticipation of cost increases, or if necessitated by a national emergency or of an impending shortage in the items concerned, specifying maximum quantities of individual items. Unless otherwise approved by the President of the Philippines, upon the joint recommendation of the Secretary concerned and the Chairman of COA, these stocks shall not exceed one year's requirement (Section 18 of FY 2012 GAA or pertinent provisions of the GAA for the year).

The contract implementation guidelines for the procurement of goods, supplies and materials are prescribed under Annex D of the revised IRR of RA No. 9184.

Additional Documentary Requirements

- ☐ Additional documents required under Annexes F and S of COA Memorandum No. 2005-027 dated February 28, 2005 required to be submitted within five days upon execution of the contract:
  - o Certificate of Exclusive Distributorship, if applicable
  - o Samples and brochures/photographs, if applicable
  - o For imported items:
    - Consular Invoice/Pro-forma invoice of the foreign supplier with the corresponding details
    - Home Consumption Value of the items
    - Breakdown of the expenses incurred in the Importation
- ☐ Original copy of Dealers/Suppliers' Invoices showing the quantity, description of the articles, unit and total value,

duly signed by the dealer or his representative, and indicating receipt by the proper agency official of items delivered.

- ❑ Results of Test Analysis, if applicable
- ❑ Tax receipts from the Bureau of Customs or the BIR indicating the exact specifications and/or serial number of the equipment procured by the government as proof of payment of all taxes and duties due on the same equipment, supplied or sold to the government [Administrative Order (AO) No. 200 dated November 21, 1990]
- ❑ Inspection and Acceptance Report prepared by the Department/Agency property inspector and signed by the Head of Agency or his authorized representative
- ❑ For equipment, Property Acknowledgment Receipt
- ❑ Warranty Security for a minimum period of three months, in the case of expendable supplies, or a minimum period of one year in the case of non-expendable supplies, after acceptance by the procuring entity of the delivered supplies
- ❑ Request for purchase of supplies, materials and equipment duly approved by proper authorities
- ❑ In case of motor vehicles, (AO No. 233 dated August 1, 2008) authority to purchase from:
    - o Agency head and Secretary of DBM, or OP depending on the type of vehicle being provided (Sections 7 and 9)
    - o Local Chief Executives, including Punong Barangay, for types of vehicles enumerated under Section 7 of AO No. 233 sourced from their unencumbered local funds and if chargeable under the GAA, either from the DBM or OP depending on the type of vehicles purchased (Sections 7 to 9)
- ❑ For procurement of drugs and medicines
    - o Certificate of product registration from Food and Drug Administration (FDA)
    - o Certificate of good manufacturing practice from FDA
    - o Batch Release Certificate from FDA
    - o If the supplier is not the manufacturer, certification from the manufacturer that the supplier is an authorized distributor/dealer of the products/items
- ❑ Such other documents peculiar to the contract and/or to the mode of procurement and considered necessary in the auditorial review and in the technical evaluation thereof

9.1.3.2 General Support Services (janitorial, security, maintenance, garbage collection and disposal and similar services)

Additional Documentary Requirements

- ❑ Additional documents under Annexes H to K and P of COA Memorandum No. 2005-027 dated February 28, 2005 required to be submitted to the Auditor's Office within five days from the execution of the contract:

- For janitorial/security/maintenance services,
  - appropriate approved documents indicating the following:
    - The number of personnel involved and their corresponding rates/salary
    - Schedule of work and places of assignment or station/visits indicating, among others, the number of hours per visit
    - The type and number of equipment to be served (in case of visitorial maintenance service)
  - The scaled floor plans of the building and other area/s covered by the service contract (for janitorial services)
  - The group classification of personnel to determine the Equivalent Equipment Monthly Statutory Minimum Wage Rate in accordance with the applicable Rules Implementing RA No. 6727
  - Approved documents indicating the minimum requirements of the agency on the number of security personnel to be involved in the project (for security service contract)
  - The population of the agency where the services are rendered (for security service controls)
  - Detailed description of the maintenance services to be rendered or activities to be performed (for maintenance service contracts)
- For Garbage Collection and Disposal
  - Complete description/specifications (brand name, model, make/country of origin, hp, piston displacement, capacity) and number of units of dump trucks to be used
  - Complete descriptions/specifications (age, condition, brand, etc.) and number of units of all other equipment to be rented/used
  - Appropriate approved documents containing the terms and conditions, whether operated or bare rental for heavy equipment, whether per trip or package deal; and other relevant condition
  - The designated dumpsite/location of dumpsite (if provided in a separate document)
  - The measurement in kilometers of the total distance covered by one complete route for all the required routes to be traveled
  - Estimated volume in cubic meters of garbage to be hauled from area of operation, including the basis for such estimates
  - In cases where the type of contract differs from the usual per trip contract basis, sufficient justification and comparative analysis between the type of contract adopted against the basic per trip type of contract

- For forwarding/shipping/hauling contract
  - The type/kind and technical description of the mode of transportation used
  - The point of origin and destination including the estimated distance/s if transported by land
  - The estimated weight and volume of cargoes involved

- ❑ Accomplishment Report
- ❑ Request for payment
- ❑ Contractor's Bill
- ❑ Certificate of Acceptance
- ❑ Record of Attendance/Service
- ❑ Proof of remittance to concerned government agency and/or GOCCs [BIR/Social Security System (SSS)/Pag-Ibig]
- ❑ Such other documents peculiar to the contract and/or to the mode of procurement and considered necessary in the auditorial review and in the technical evaluation thereof

9.1.3.3 Rental Contracts

Additional Documentary Requirements

- ❑ Additional documents under Annexes L, N and O of COA Memorandum No. 2005-027 dated February 28, 2005 required to be submitted to the Auditor's Office within five days from the execution of the contract.
  - For privately-owned office/building
    - Complete copy of the building floor plans indicating in shaded colors the rentable space
    - Copy of the Certificate of Occupancy of the building or appropriate approved documents showing the date the building was constructed or age of the building
    - Complete description of the building as to type, kind and class including its component parts and equipment facilities such as, but not limited to, parking areas, elevators, air-conditioning systems, firefighting equipment, etc.
    - Copy of the Master of Deed Declaration and Restrictions in case of lease/rental of office condominiums
  - For equipment rental/lease/purchase contract
    - Agency evaluation of equipment utilization
    - Pertinent data of area of operation

- ❑ List of prevailing comparable property within vicinity
- ❑ Vicinity map
- ❑ Request for payment
- ❑ Bill/Invoices
- ❑ Certificate of occupancy (space/building)

- ❑ Such other documents peculiar to the contract and/or to the mode of procurement and considered necessary in the auditorial review and in the technical evaluation thereof

9.1.3.4 Repair and Maintenance of Aircraft, Equipment and Motor Vehicles

Additional Documentary Requirements

- ❑ Additional documents under Annexes Q and R of COA Memorandum No. 2005-027 dated February 28, 2005 required to be submitted to the Auditor's Office within five days from the execution of the contract:
  - o Copy of the pre-repair evaluation report and approved detailed plans by the agency showing in sufficient detail the scope of work/extent of repair to be done
  - o Copy of the latest service bulletin, in case of aircraft
  - o Report of waste materials
  - o Copy of document indicating the history of repair
- ❑ Post-inspection reports
- ❑ Warranty Certificate
- ❑ Request for payment
- ❑ Bill/Invoices
- ❑ Certificate of Acceptance
- ❑ Pre-repair inspection reports
- ❑ Such other documents peculiar to the contract and/or to the mode of procurement and considered necessary in the auditorial review and in the technical evaluation thereof

9.1.3.5 Advertising Expenses

General Guidelines

One of the austerity measures adopted under Administrative Order No. 103 dated August 31, 2004 is the suspension, among others, of paid media advertisements, except those required in the issuance of agency guidelines, rules and regulations, the conduct of public bidding and the dissemination of important public announcements.

Additional Documentary Requirements

- ❑ Bill/Statement of Account
- ❑ Copy of newspaper clippings evidencing publication and/or CD in case of TV/Radio commercial

9.2 Procurement through Alternative Modes

Basic Requirements Common to All Purchases under alternative mode

- ❑ Documents to be submitted within five working days from the execution of the contract as required under COA Circular No. 2009-001 dated February 12, 2009:

- Purchase Order/Letter Order/Contract, duly approved by the official concerned and accepted by the supplier (date of acceptance must be clearly indicated, especially when the time or date of delivery is dependent on or will be counted from the date of acceptance of the purchase order/letter order/contract)
- Proof of posting of invitation or request for submission of price quotation in the PhilGEPS website, website of the procuring agency, if available, and at any conspicuous place reserved for this purpose in the premises of the procuring agency for a period of seven calendar days in case of Shopping under Section 52.1(b), and Negotiated Procurement under Sections 53.1 (two failed bidding) and 53.9 (small value procurement) of the Revised IRR of RA No. 9184
- Performance and warranty securities, except for shopping and negotiated procurement under emergency cases, small value procurement, lease of real property and United Nation (UN) agencies
- BAC Resolution recommending and justifying to the Head of Procuring Entity (HOPE) the use of alternative mode of procurement and approval by the HOPE of the BAC Resolution recommending award of contract
- Proof of posting of Notice of Award in the PhilGEPs website, the website of the procuring entity concerned, if available, and at any conspicuous place reserved for this purpose in the premises of the procuring entity

- ☐ Approved Procurement Plan
- ☐ Request for purchase or requisition of supplies, materials and equipment, duly approved by proper authorities
- ☐ Original copy of the delivery invoice showing the quantity, description of the articles, unit and total value, duly signed by the dealer or his representative and indicating receipt by the proper agency official of items delivered
- ☐ Inspection and acceptance report signed "Inspected by" by the authorized agency inspector and signed "accepted by" by the authorized end-user to whom the item was delivered or the property officer if item is for stock
- ☐ Approval by the HOPE or his duly authorized representative on the use of the alternative methods of procurement, as recommended by the BAC
- ☐ Statement of the prospective bidder that it is not blacklisted or barred from bidding by the Government or any of its agencies, offices, corporations or LGUs
- ☐ Sworn affidavit of the bidder that it is not related to the HOPE by consanguinity or affinity up to the third civil degree

9.2.1 Limited Source Bidding

General Guidelines

This is a method of procurement of goods and consulting services that involves direct invitation to bid from the list of pre-selected suppliers or consultants with known experience and proven capability on the requirements of the particular contract. This alternative method of procurement may be employed under any of the following conditions (Section 49 of the Revised IRR of RA No. 9184):

- Procurement of highly specialized types of goods (e.g., sophisticated defense equipment, complex air navigation systems, coal) and consulting services where only a few suppliers or consultants are known to be available, such that resorting to public bidding method will not likely result in any additional suppliers or consultants participating in the bidding; or

- Procurement of major plant components where it is deemed advantageous to limit the bidding to known qualified bidders in order to maintain uniform quality and performance of the plant as a whole.

Additional Documentary Requirements

- ❑ Specific requirements to be submitted within five working days from the execution of the contract as required under COA Circular No. 2009-001 dated February 12, 2009:
  - o Copy of direct invitation to bid served by the concerned agency to all suppliers or consultants appearing in the pre-selected list of manufacturers/suppliers/distributors with known experience and proven capability on the requirements of the particular contract
  - o Winning bidder's offer or proposal
  - o Abstract of bids showing the most responsive and complying bidder from among the other bidders who participated in the bidding
  - o Notice of Award
- ❑ Documentary requirements under Sections 23.1 and 25.2(a) for goods, 23.1 and 25.2(b) for infrastructure, 25.1 and 25.2(c) for consultancy services, of the Revised IRR of RA No. 9184
- ❑ Such other documents peculiar to the contract and/or to the mode of procurement and considered necessary in the auditorial review and in the technical evaluation thereof
- ❑ Bid security (required under Section 54.4 IRR-A, RA No. 9184)

9.2.2 Direct Contracting

General Guidelines

This is a method of procurement of goods whereby the supplier is simply asked to submit a price quotation or a pro-forma invoice together with the conditions of sale. The offer may be accepted immediately or after some negotiations. Direct contracting may be resorted to under any of the following conditions (Section 50 of the Revised IRR of RA No. 9184):

- Procurement of goods of proprietary nature which can be obtained only from the proprietary source, i.e. when patents, trade secrets, and copyrights prohibit others from manufacturing the same item;
- When the procurement of critical plant components from a specific supplier is a condition precedent to hold a contractor to guarantee its project performance, in accordance with the provisions of its contract; or
- Those sold by an exclusive dealer or manufacturer which does not have sub-dealers selling at lower prices and for which no suitable substitute can be obtained at more advantageous terms to the government.

Additional Documentary Requirements

- ❑ Specific requirements to be submitted within five (5) working days from the execution of the contract as required under COA Circular No. 2009-001 dated February 12, 2009:

- Copy of letter to selected manufacturer/supplier/distributor to submit a price quotation and conditions of sale
- Certificate of Exclusive Distributorship issued by the principal under oath and authenticated by the embassy/consulate nearest the place of the principal, in case of foreign suppliers
- Certification from the agency authorized official that there are no sub-dealers selling at lower prices and for which no suitable substitute can be obtained at more advantageous terms to the government
- Certification of the BAC in case of procurement of critical plant components and/or to maintain certain standards

❑ Study/survey done to determine that there are no sub-dealers selling at lower prices and for which no suitable substitute can be obtained at more advantageous terms to the government

❑ Such other documents peculiar to the contract and/or to the mode of procurement and considered necessary in the auditorial review and in the technical evaluation thereof

9.2.3 Repeat Order

General Guidelines

This is a method of procurement of goods from the previous winning bidder, whenever there is a need to replenish goods procured under a contract previously awarded through Competitive Bidding. Repeat Orders shall likewise be subject to the following conditions (Section 51 of the Revised IRR of RA No. 9184):

- Unit prices of the repeat order must be the same as, or lower than, those in the original contract, provided that such prices are still the most advantageous to the government after price verification;
- The repeat order will not result in splitting of contracts, requisitions, or purchase orders, as provided for in Section 54.1 of the Revised IRR of RA No. 9184;
- Except in cases duly approved by the GPPB, the repeat order shall be availed of only within six months from the contract effectivity date stated in the Notice to Proceed arising from the original contract; and
- The repeat order shall not exceed 25 percent of the quantity of each item in the original contract.

Additional Documentary Requirements

❑ Specific requirements to be submitted within five working days from the execution of the contract as required under COA Circular No. 2009-001 dated February 12, 2009:

- Copy of the original contract used as basis for repeat order indicating that the original contract was awarded through public bidding
- Certification from the Purchasing Department/Office that the supplier has complied with all the requirements under the original contract

9.2.4 Shopping

General Guidelines

Shopping is a method of procurement of goods whereby the procuring entity simply requests for the submission of price quotations for readily available off-the-shelf goods or ordinary/regular equipment to be procured directly from suppliers of known qualifications. This method of procurement shall be employed in any of the following cases (Section 52 of the Revised IRR of RA No. 9184):

- When there is an unforseen contingency requiring immediate purchase; provided, however, that the amount shall not exceed the threshold prescribed in Annex H of the Revised IRR of RA No. 9184
- Procurement of ordinary or regular office supplies and equipment not available in the Procurement Service involving an amount not exceeding the threshold prescribed in Annex H of the Revised IRR of RA No. 9184

The Guidelines for shopping and small value procurement are prescribed under the GPPB Resolution No. 09-2009 dated November 3, 2009.

Additional Documentary Requirements

- ❑ Specific requirements to be submitted within five working days from the execution of the contract as required under COA Circular No. 2009-001 dated February 12, 2009:
  - o Price quotations from at least three bonafide and reputable manufacturers/suppliers/distributors
  - o Abstract of canvass

9.2.5 Negotiated Procurement

General Guidelines

This is a method of procurement of goods, infrastructure projects and consulting services, whereby the procuring entity directly negotiates with a technically, legally and financially capable supplier, contractor or consultant in any of the following cases (Section 53 of the Revised IRR of RA No. 9184):

- Two Failed Biddings
- Emergency cases
- Take-over of Contracts
- Highly Technical Consultants
- Defense Cooperation Agreement
- Small Value Procurement
- Community Participation
- United Nations Agencies
- Adjacent or Contiguous
- NGO Participation (GPPB Resolution No. 12-2007 dated 29 June 2007)
- Agency-to-Agency
- Procurement Agent
- Lease of Real Property

The last three items are subject to the guidelines to be issued by the GPPB.

Additional Documentary Requirements

- ❑ Specific requirements to be submitted within five working days from the execution of the contract as required under COA Circular No. 2009-001 dated February 12, 2009:
  - o In cases of two failed biddings, emergency cases, take-over of contract and small value procurement
    - Price quotation/bids/final offers from at least be three invited suppliers
    - Abstract of submitted Price Quotation
    - BAC Resolution recommending award of contract to Lowest Calculated Responsive Bid (LCRB)
- ❑ Additional requirements for each case:
  - o In case of two failed biddings
    - Agency's offer for negotiations with selected suppliers, contractors or consultants
    - Certification of BAC on the failure of competitive bidding for the second time
    - Evidence of invitation of observers in all stages of the negotiation
    - Eligibility documents in case of infrastructure projects
  - o In emergency cases
    - Justification as to the necessity of purchase
  - o In case of take-over of contracts
    - Copy of terminated contract
    - Reasons for the termination
    - Negotiation documents with the second lowest calculated bidder or the third lowest calculated bidder in case of failure of negotiation with the second lowest bidder. If negotiation still fails, invitation to at least three eligible contractors
    - Approval by the Head of the Procuring Agency to negotiate contracts for projects under exceptional cases
  - o In case of small value procurement
    - Letter/invitation to submit proposals
  - o For adjacent or contiguous projects
    - Original contract and any document indicating that the same resulted from competitive bidding
    - Scope of work which should be related or similar to the scope of work of the original contract
    - Latest Accomplishment Report of the original contract showing that there was no negative slippage/delay

9.3 For procurement through Automatic Debit Arrangement (ADA) or direct payment

Documentary Requirements

- ❑ Same documents required under goods, infrastructure or consulting services depending on the mode of procurement adopted and the nature of expenses

- ❑ Letter request from the Head of the Agency to the Bank to pay/credit the account of the supplier
- ❑ Confirmation from the bank that the account of the supplier has already been credited (for post audit purposes)

10.0 Cultural and Athletic Activities

General Guidelines

Out of the appropriations authorized in the GAA for Maintenance and Other Operating Expenses (MOOE) for each department, bureau, office or agency, an annual amount not exceeding One Thousand Two Hundred Pesos (₱1,200) per employee-participant may be used for the purchase of costume or uniform, and other related expenses in the conduct of cultural and athletic activities (Section 25, FY 2012 GAA or pertinent provisions of the GAA for the year).

Documentary Requirement

- ❑ Budget estimates approved by the Head of Agency
- ❑ Same requirements under procurement depending on the nature of expense and the mode of procurement adopted

11.0 Human Resource Development and Training Program

General Guidelines

Departments, bureaus, offices or agencies shall review and formulate their human resource development and training programs to make the same responsive to the organizational needs and manpower requirements of agencies and the need to train personnel in appropriate skills and attitudes. They shall likewise include in their human resource development and training programs measures to promote morals, efficiency, integrity, responsiveness, progressiveness, courtesy as well as nationalism and patriotism in the civil service. Such training programs shall be consistent with the rules and regulations issued by the CSC for the purpose (Section 27, FY 2012 GAA or pertinent provisions of the GAA for the year).

Documentary Requirements

- ❑ Budget estimates approved by the Head of Agency
- ❑ Schedule of training approved by the Head of the Agency
- ❑ Same requirements under procurement depending on the nature of expense and the mode of procurement adopted

12.0 Financial Expenses

General Guidelines

In line with entering into various transactions with local and international financing institutions, agencies incurred bank charges, commitment fees, documentary stamp tax, interest expenses and other related financial charges.

Documentary Requirements

- ❑ Loan Agreements/Memoranda of Agreement together with supporting documents
- ❑ Statement of Account
- ❑ Bank Debit memos
- ❑ Other supporting documents deemed necessary depending on the nature of the transaction

13.0 Road Right-of-Way (ROW)/Real Property

General Guidelines

Claims for road right-of-way are subject to the provisions of RA No. 8974 and its IRR.

13.1 Land

Documentary Requirements common to both Negotiated Purchase and Payment by Court Decision

- ❑ Project parcellary survey plan showing that said lot and structures are within the boundaries of the right-of-way
- ❑ Structural Mapping Plan of the lot affected
- ❑ Certification by the implementing agency that the claim is not within the original ROW of a converted local road
- ❑ Certification from the Head of the Implementing Office that there is no previous pending claim and previous payment on subject property
- ❑ Environmental Clearance Certificate (ECC) as required under Section 8 of RA No. 8974
- ❑ Copy of latest updated master list of Project-Affected-Persons (PAP) approved by Agency's authorized representative
- ❑ In case of death of claimant or owner, judicial settlement duly advertised in a newspaper of general circulation

Additional Documentary Requirements

- ❑ For Negotiated Purchase
    - o Independent Appraisal Report/Regional Committee Resolution indicating the valuation of the land. Valuation should be based on the provisions of RA No. 8974
    - o Applicable BIR Zonal Valuation
    - o Certified Photocopy of Authority/Agency Resolution to Purchase Land or Land Rights indicating the approved/established valuations or BIR Zonal Valuations
    - o Deed of Absolute Sale registered with the Register of Deeds where the land is located
    - o Certified Photocopy of Tax Clearance from Assessor's Office where the land is located
        - Certificate Authorizing Registration (CAR)
        - Capital Gains Tax (CGT)
        - Documentary Stamp Tax (DST)
        - Transfer Tax

- If registered land:
  - If whole lot is acquired, Transfer Certificate of Title (TCT) Certificate of Land Ownership Award/Original Certificate Title/Emancipation Patent (CLOA/OCT/EP) certified as true copy by the Register of Deeds and Tax Declaration (TD) certified as true copy by the Assessor's Office in the name of the procuring entity or previous owner depending on the provisions of the sale
  - If portion of lot is acquired, certified photocopy of TCT and TD in the name of the procuring entity or previous owner with annotation of sale
- If unregistered land:
  - Certified photocopy of TD in the name of the procuring entity or previous owner with annotation of sale
  - Notarized Affidavit of Ownership
  - Certification from the City/Municipal Treasurer that the claimant is the sole entity paying the taxes for the property for the past five years
  - Notarized joint affidavit of two adjoining landowners or Barangay/Local Officials concerned attesting to the ownership of land
  - Such other documents deemed necessary for the auditorial review and in the technical evaluation thereof
  - If claim for payment or amount of sale exceeds ₱50,000 (EO No. 1035), certified photocopy of Claimant's Surety/Indemnity Bond issued by any Insurance Company duly accredited by the Insurance Commission
- For Payment by Court Decision
  - Certified photocopy of Court Decision registered with the Register of Deeds where the land is located including all annexes referred to in the court decision
  - Certified true copy of TCT for registered land, and TD in the name of the previous owner for unregistered land with court decision duly annotated
  - Certificate of Finality of Decision

13.2 Structure/House

Documentary requirements

- ☐ Approved and Notarized Agreement to Demolish and Remove Improvements (ADRI) / Notarized voluntary undertaking to vacate the project area
- ☐ Sketch plan/drawing of house/structure
- ☐ Notarized landowner's waiver of rights/quitclaim to affected houses/structures or establishments if payment will be made to claimants other than the owner
- ☐ Pictures of the structures before, during and after the demolition
- ☐ Certified true copy of owner's identification (ID), Residence Certificate and Barangay Clearance
- ☐ Computation of Replacement Cost duly approved by implementing Office Director supported with current abstract of canvass of construction materials
- ☐ Certificate of Total Demolition
- ☐ Map showing the location of the structure/house in the project-affected area
- ☐ Notarized affidavit of ownership with Waiver or Right/Quitclaim to affected house/structure
- ☐ Copy of masterlist of Project-Affected-Persons (PAPs) indicating the names of affected house/structure owners approved by authorized personnel

- ❑ Certified photocopy of title (TCT/OCT or CLOA/EP) and TD of land where the house/structure is erected

13.3 Improvements (trees, plants, growing fruits, etc.)

Documentary requirements

- ❑ Permit issued by the Department of Environment and Natural Resources (DENR) to cut plants, forest tress and fruit bearing trees on areas affected by the project.
- ❑ Affected Trees/Crops Inventory duly certified by the Agency's Project Committee/Authorized Officer and showing among others the following: lot number as indicated in the project plan, number of items, specifies classification, diameter, height, lot owner, owner of trees/plants/crops and price
- ❑ Quitclaim or Waiver issued by the lot owner if he is not the claimant
- ❑ Map/sketch plan showing the location of the improvement in the project-affected area
- ❑ Resolution/approval of valuation of damaged improvement
- ❑ Copy of the approved valuation of crops, plants and trees issued by concerned government agency
- ❑ Notarized Affidavit of Ownership with Right/Quitclaim to affected improvements
- ❑ Copy of the latest updated masterlist of PAPs approved by proper authorities
- ❑ If registered land:
  - o Certified true copy of title (TCT/OCT or CLOA/EP)
- ❑ If unregistered land:
  - o Certified photocopy of TD
  - o Notarized joint affidavit of two adjoining landowners or barangay/local officials concerned attesting to the ownership of land
- ❑ If payment through Court Decision
  - o Certified photocopy of Court Decisions (Final Order/Decision or Certificate of Finality of Decision)