



Republic of the Philippines
DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS
OFFICE OF THE SECRETARY
Manila



198

27 August 1999

DEPARTMENT ORDER)

NO. **169**) SUBJECT: DBM/DPWH Joint Circular No. 1-98
Series of 1999 *(8-27)*

In view of the full implementation of the Direct Fund Release System as authorized under DBM/DPWH Joint Circular No. 1-98 dated 01 January 1998, all District Engineering Offices and implementing units receiving fund releases directly from the DBM Central Office or DBM Regional Office are hereby directed to furnish clear copies of release documents (SARO, SAA and NCA) to their respective or concerned DPWH Regional Office (Attn: The Regional Director) and DPWH Central Office (Attn: Office of the Asst. Sec. for Comptrollership and Financial Management) within three (3) days upon receipt thereof.

This Order shall take effect immediately.


GREGORIO R. VIGILAR
Secretary

**DEPARTMENT OF BUDGET AND MANAGEMENT
DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS**

**JOINT CIRCULAR NO. 1-98
January 1, 1998**

FOR

**:ALL CONCERNED OFFICIALS OF THE DEPARTMENT OF
BUDGET AND MANAGEMENT (DBM) AND THE
DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS
(DPWH)**

SUBJECT

**:GUIDELINES AND PROCEDURES ON THE DIRECT
RELEASE OF FUNDS BY DBM TO IMPLEMENTING UNITS
OF THE DPWH**

1.0 PURPOSE

- 1.1 To provide the procedural guidelines on the direct release of funds to DPWH-Central Office (DPWH-CO), DPWH-Regional Office (DPWH-ROs), DPWH-Regional Equipment Services (RES) and DPWH-District Engineering Offices (DPWH-DEOs).
- 1.2 To delineate the responsibilities of the DBM-CO and DBM-RO in the release of funds to DPWH implementing units.
- 1.3 To improve funds flow in order to ensure the timely implementation of projects.

1.0 COVERAGE

- 2.1 This Joint Circular shall cover all release of funds to the DPWH implementing units except foreign assisted projects (FAPs).

1.0 DEFINITION OF TERMS

- 3.1 For purposes of this Circular, the following terms shall be construed to mean, as follows:
 - 3.1.1 Infrastructure Projects are capital outlays implemented by DPWH which include the following:

- 3.1.1.1 Construction, rehabilitation and improvement of roads and bridges;
 - 3.1.1.2 Construction, rehabilitation and improvement of flood control and drainage facilities;
 - 3.1.1.3 Construction, rehabilitation and improvement of ports and national buildings;
 - 3.1.1.4 Construction, rehabilitation and improvement of water supply facilities;
 - 3.1.1.5 Construction, rehabilitation and improvement farm-to-market roads appropriated under the Department of Agriculture;
 - 3.1.1.6 Construction, rehabilitation and improvement of school buildings; and,
 - 3.1.1.7 Construction of soft infrastructure projects which may include but is not limited to multi-purpose centers, health centers, barangay halls, public markets, multi-purpose pavements and other structures belonging to the same category.
- 3.1.2 Maintenance Fund—refers to the allocation of DPWH for regular repairs and maintenance of national roads and bridges, flood control and drainage facilities, and, other national buildings; as well as, preventive maintenance of national roads and bridges.
- 3.1.3 Regular Operating Requirement—refers to the Personal Services, Maintenance and Other Operating Expenses and Equipment Outlays component of activities which the DPWH performs in the conduct of its day-to-day administration.
- 3.1.4 DPWH-Centrally Managed Items (DPWH-CMIs) - pertain to infrastructure projects having an identified regional location in the General Appropriations Act (GAA), but which, by reason of limitations in the delegated authority to the DPWH-ROs is supervised and administered by the DPWH-CO.
- 3.1.5 Nationwide Lump-Sum Fund - refers to the lumped allocation for various projects and preventive maintenance of national roads and bridges, the release of which is subject to the submission of project listings.

- 3.1.6 Implementing Units – refers to DPWH-CO, ROs, RES and DEOs.
- 3.1.7 Concerned DBM-RO – corresponds to the DBM regional office having jurisdiction in the arra where said project will be implemented.

1.0 GENERAL GUIDELINES

4.1 Starting FY 1998, DBM-CO releases to DPWH-CO shall be limited to the following:

4.1.1 Allotment and Cash Allocation for:

4.1.1.1 Projects to be implemented by the DPWH-CO as reflected in the GAA as well as the Nationwide Lump-Sum; and,

4.1.1.2 All Foreign Assisted Projects;

4.1.1.3 Five percent (5%) of maintenance funds; and,

4.1.1.4 Regular Operating Requirements of the DPWH-CO.

4.1.2 Allotment to cover DPWH-CMIs.

4.1.3 Cash Allocation corresponding to:

4.1.3.1 The DPWH-CO retained portion of the allotment released for DPWH-CMIs; and,

4.1.3.2 Accounts Payable and Trust Liabilities of the DPWH-CO.

4.2 The DBM-RO shall release the following:

4.2.1 Allotment and Cash Allocation for:

4.2.1.1 Projects to be implemented by the DPWH-RO, RES and DEO as reflected in the GAA including ninety-five percent (95%) of maintenance funds;

4.2.1.3 Projects to be implemented by the DPWH-RO chargeable against the Nationwide Lump-Sum Fund, listings of which are to be submitted by DPWH-CO; and,

4.2.1.4 Regular Operating Requirements of the DPWH-RO, RES and DEO.

4.2.2 Cash Allocation for:

4.2.2.1 Allotment transferred by DPWH-CO corresponding to the DPWH-RO/DEO portion of the DPWH-CMIs; and,

4.2.2.2 Accounts payable and Trust Liabilities of the DPWH-RO, RES and DEO.

- 4.3 Requests for use of savings and realignments within the same regional location shall be acted upon by the concerned DBM-RO. However, requests for use of savings/realignments with inter-regional implications shall be requested and submitted by DPWH-CO and processed by DBM-CO.
- 4.4 The transfer of allotment from DPWH-CO to DPWH-RO and DPWH-DEO for DPWH-CMIs shall be thru the Advice of Sub-Allotment (ASA).
- 4.5 The use of funding checks issued by either the DPWH-CO and RO to cover allotments for DPWH-CMIs shall be discontinued. Instead, the DPWH-CO and RO shall furnish DBM-CO and concerned DBM-RO a report of the allotment transferred through ASA together with the copies of the ASA itself. The ASAs issued shall be the basis for the issuance of additional cash allocation to the recipient implementing unit.
- 4.6 All cash in banks maintained by the DPWH under Fund 101 shall be immediately transferred to the Bureau of the Treasury. Thus, payment of obligations incurred inclusive of past years' accounts payable under the Letter of Advice of Allotment (LAA) shall now be made through a Notice of Cash Allocation (NCA) issued for the purpose by the concerned DBM Office.
- 4.7 The existing budgeting and accounting procedures prescribed for foreign assisted projects under DBM-COA-DOF Joint Circular 2-97 shall be maintained.

5.0 PROCEDURAL GUIDELINES

- 5.1 Upon approval of the GAA, the DPWH-CO shall submit to DBM-CO, copy furnished the responsible DBM-RO, the following information which shall serve as basis in determining the segregation of releases between DBM-CO and concerned DBM-RO:

5.1.1 Implementing Unit;

5.1.2 Funding Source (Program/Activity/Project in the GAA where a particular project is funded);

5.1.3 Project Category, Location, Scope of Work, Physical Targets; and,

5.1.4 Amount of appropriation.

The implementing units shall continue to submit the Agency Budget Matrix (ABM) pursuant to National Budget Circular No. 440.

5.2 Likewise, implementing units shall submit to DBM-CO, copy furnished the concerned DBM-RO, the Cash Program indicating the monthly cash requirements of projects and activities implemented in their respective area of jurisdiction.

5.3 The allotment released thru the General Allotment Release Order (GARO) or Special Allotment Release Order (SARO) as well as the ASA covering DPWH-CMIs, Maintenance Funds and Regular Operating Requirements shall be booked-up by the concerned implementing unit.

5.4 The NCA shall be released by DBM-CO and concerned DBM-RO to the concerned implementing units on a regular basis.

5.5 The DPWH implementing units shall submit to DBM-CO and/or concerned DBM-RO its Monthly Summary List of Checks Issued and Cancelled (SLCIC) which shall serve as basis for the issuance of subsequent NCAs.

5.6 The prompt submission of the following "other accountability reports" by the implementing units to DBM-CO and/or concerned DBM-RO shall ensure that budgetary requests shall be acted upon on a timely and regular basis:

5.6.1 Quarterly Trial Balance;

5.6.2 Preliminary and Final Trial Balance of the immediately preceding year;

5.6.3 Quarterly report of Actual Income (BAF 300);

5.6.4 Quarterly Financial Report of Operations (BAF 301);

5.6.5 Quarterly Physical Report of Operations (BAF 302);

5.6.6 Annual Statement of Accounts Payable (BAF 304);

- 5.6.7 Monthly Statement of Charges to Accounts Payable (BAF 305);
- 5.6.8 Monthly Statement of Allotment Obligations and Balances (BAF 306);
- 5.6.9 FAPs Quarterly Financial Report of Operations (BAF 301-B);
- 5.6.10 FAPs Quarterly Physical Report of Operations (BAF 301-B);
- 5.7 The DBM-CO, concerned DBM-RO and DPWH-CO shall, from time to time, reconcile their records on the status of allotments and NCAs for the DPWH-CMIs, Nationwide Lump-Sum Fund as well as other funds released to the DPWH.

6.0 PENALTY CLAUSE

- 6.1 The administrative sanctions provided under Sec.57, Chapter VI, Book VI of E.O. No. 292 as well as withholding of actions of agency requests for release of funds shall be imposed pending compliance/submission of accountability and other financial reports.

7.0 SAVING CLAUSE

- 7.1 Nothing in the above-mentioned delegated responsibilities to DBM and DPWH Regional Directors shall be construed as a limitation on the power of the DBM and DPWH Secretaries to review/overrule any action taken by the concerned Regional Directors and District Engineers.
- 7.2 Cases not covered by the provisions of this Circular shall be referred to the DBM and DPWH, as the case may be, for appropriate action.

8.0 EFFECTIVITY

This Circular shall take effect on January 1, 1998.


SALVADOR M. ENRIQUEZ, JR.
Secretary

Department of Budget and Management


GREGORIO R. VIGILAR
Secretary

Department of Public Works
and Highways