

**DENR Memorandum Order  
No. 1  
March 10,1988**

**TO : ALL DENR OFFICIALS AND OTHER  
CONCERNED**

**SUBJECT : ESTABLISHMENT OF A TREASURY  
WARRANT FUNDING SCHEME FOR  
DENR FOREIGN-ASSISTED PROJECT  
PROJECTS AND DELEGATIONS OF  
AUTHORITY TO BUREAU DIRECTORS,  
REGIONAL EXECUTIVE DIRECTORS  
AND PROJECT MANAGERS/PROJECT  
DIRECTORS RELATIVE TO ITS  
IMPLEMENTATION.**

1. In the interest of promoting efficiency, effectiveness and economy in the implementation of DENR Foreign-Assisted Projects (FAPs), and pursuant with the New Disbursement System of the Government, otherwise known as the Treasury Warrant Funding Scheme (TWFS), the following FAPs are hereby authorized to open separate current account (s) with the Agency's designated servicing bank, Far East Bank and Trust Company (FEBTC), for the implementation of TWFS, thru the bank's branch office nearest of the Project Office:
  - a. Forestry Development Project in Ilocos Norte (FDPIN), ADB Loan No. 677 PH;
  - b. Forest Fire Management Project (FFMP), UNDP-FAO Grant;
  - c. Magat Smallholder Agroforestry Pilot Project (MSAPP), IBRD-Loan No. 1890 PHI;
  - d. Integrated Forest Protection Pilot Project, Area A (IFPPP-A), IBRD Loan No. 1890 PH;
  - e. Integrated Forest Protection Pilot Project, Area B (IFPPP-B), IBRD Loan No. 1890 PH;

- f. RP-Japan Forestry Development Project (RP-Japan FDP) JICA Grant;
- g. RP-New Zealand Afforestation Project (RP-NZAP), NZ Grant;
- h. Lake Bato Watershed Managemnet and Rehabilitation Pilot Project (LBWMRPP), ADB Loan No. 417 PH;
- i. Palawan Intergrated Area Development Project (PIADP), ADB Loan Nos. 528/529 PH/EEC Grant;
- j. ASEAN-US Watershed Project (AUSWP), USAID Grant;
- k. RP-German Cebu Upland Development Project (CUDP), FRG/GTZ Grant;
- l. Muleta Manupali Watershed Development Project (MMWDP), ADB Loan No. 406 PH;
- m. Third Davao del Norte Irrigation Project - SCC (DIP III-SCC), ADB Loan No. 580 PH;
- n. Allah Valley Watershed Development Project (AVWDP), ADB Loan Nos. 341/727 PH;
- o. Timber Stand Improvement Project (TSI), FRG/GTZ Grant;
- p. RP- German Forest Resources Inventory Project (RP-German FRI), FRZ/GTZ Grant;
- q. RP-Japan Crocodile Farming Institute (RP-Japan CFI), JICA Grant;
- r. Bamboo Research Development Project (BRDP), UNDP/FAO Grant; and
- s. All Rainfed Resources Development Project (RRDP), USAID loan No. 492-T-068.

2. In the establishment and operation of the TWFS, the Project Offices

shall be guided by the provisions of COA-DBM-DOF Joint Circular 4-86 A and DBM Circular Letter No. 87-8. In places where there are no FEBTC branch office, arrangements shall be made for the opening of project current accounts with other authorized government servicing bank nearest the Project office.

3. To facilitate the smooth implementation of the New Disbursement System, the following delegations of authority shall be strictly followed for the FAPs herein specified:

- 3.1 Regional Executive Director, R-1 for FDPIN and FFMP; Regional Executive Director, R-2 for IFPPP-A and MASPP; Regional Executive Director, R-3 for RP-Japan FDP,IFPPP-B and RP-NZAP; Regional Executive Director, R-5 for LBWMRPP; Director Ecosystem Research and Development Bureau for BRDP; Regional Executive Director, R-7 for the RP-German CUDP; Regional Executive Director, R-10 for MMWDP; Regional Executive Director, R-11 for AVWDP and DIP III-SCC; Director, Forest Management Bureau for AUSWDP; RP-German NFRI and TSI; Regional Executive Director, concerned for RRDP.

- a. Approve Travel Orders and Itinerary of Travel of Project Managers/Director covering official trips;
- b. Approve monthly/quarterly plantilla of project personnel, except otherwise, as maybe provided in the Projects Loan/Grant Agreements;
- c. Approve monthly cash advances for non-personal services covering amounts above ONE HUNDRED THOUSAND PESOS (P 100,000.00) but not exceeding TWO HUNDRED THOUSAND PESOS (P 200,000.00);
- d. Approve RIVs and Purchase/letter orders for the furnishing of necessary supplies and materials and contracts for non-personal services, covering amounts not exceeding TWO HUNDRED THOUSAND PESOS (P 200,000.00) provided that

no splitting of requisition, purchase/services shall be made;

- e. Approve/award contracts for personal services of civil works to be implemented by administration/force account, covering amounts not exceeding TWO HUNDRED THOUSAND PESOS (P 200,000.00) provided that no splitting of contracts/services shall be made.
- f. Approve Disbursement Vouchers involving amounts above ONE HUNDRED THOUSAND PESOS (P 100,000.00) but not exceeding TWO HUNDRED THOUSAND PESOS (P 200,000.00)

3.2 Project Managers/Project Directors of all FAPs under par a. 1 above:

- a. Approve Travel Orders and Itinerary of Travel of project personnel covering official trips for a period not exceeding fifteen (15) days;
- b. Approve payrolls and monthly cash advances for personal services regardless of amount and monthly cash advances for non-personal services covering amounts not exceeding ONE HUNDRED THOUSAND PESOS (P100,000.00);
- c. Approve RIVs and Purchase/letter orders for the furnishing of necessary supplies and materials and contracts for non-personal services, covering amounts not exceeding ONE HUNDRED THOUSAND PESOS (P100,000.00) provided that no splitting of requisition, purchases/services shall be made;
- d. Approve/award contracts for personal services of civil works to be implemented by administration/force account, covering amounts not exceeding ONE HUNDRED THOUSAND PESOS (P 100,000.00) provided that no splitting of contracts/services shall

be made.

- e. Approve Disbursement Vouchers for non-personal services involving amount not exceeding ONE HUNDRED THOUSAND PESOS (P 100,000.00);
  - f. Approve Disbursement Vouchers for personal services and other fixed expenditures regardless of amount;
  - g. Countersign checks issued by the Deputized/Special Disbursing Officer in payment of project expenses.
4. The exercise of the above functions, shall in all cases, be subject to the monthly/quarterly/annual Work and Financial Plans, Travel Plans and Procurement Plans approved by the Secretary, or his duly authorized representative, and to national/agency policies, laws, rules and regulations pertinent thereto. Disbursement shall not, at anyone time exceed the total cash balance of the Project's current account minus the minimum cash balance requirement of the bank, and no checks shall be drawn for payrolls and vouchers which are not previously certified by the Project Accountant as to availability of funds thereof and approved by the approving officials for payment.
  5. For effective control and processing of financial operations those FAPs which have no existing budgeting, accounting and disbursement unit/staff shall organize within their Project Office a separate fiscal/administrative section. Towards this end, the Foreign-Assisted and Special Projects Office (FASPO) shall establish and maintain effective and efficient management accounting and auditing systems and procedures applicable to all FAPs, and supportive of the usual government rules and regulations.
  6. Upon the establishment and implementation of the TWFS, no project expenses of the FAPs covered under para. 3.1 above, shall be paid in the DENR Central and Regional Offices.
  7. Periodic reports in compliance of this Order shall be submitted to the Office of the Secretary thru FASPO.

8. This Order shall take effect immediately upon the establishment of the TWFS and approval of the deputation of the above officials by the Treasurer of the Philippines or his duly authorized representative, and revokes/amends all previous Orders, memoranda or instructions inconsistent herewith.

**(Sgd.) FULGENCIO S. FACTORAN, JR.**  
Secretary