

**Department Circular
No. 2
March 14, 1990**

SUBJECT: Revised Guidelines and Procedures in the Administration of Pilot Project Trust Fund under the DENR Upland Development Program

In order to effectively carry out the objectives of the Ford Foundation-assisted DENR Upland Development Program through the implementation of pilot projects and to ensure more efficient administration of these Trust Fund, the following guidelines and procedures are hereby promulgated:

1. Adherence to the Approved Budget and Work Plan (BWP)

The Trust Fund shall be administered in accordance with the Budget and Work Plan, with quarterly breakdown, prepared by the Forest Community Organizer (FCO), endorsed by the Community Environment and Natural Resources Officer (CENRO), noted by the Provincial Environment and Natural Resources Officer (PENRO), recommended by the Regional Executive Director (RED) and approved by the Undersecretary for Field Operations and Chairman, Upland Development Working Group (UDWG).

2. Annual Release of Fund

- 2.1 Release of fund shall be made annually in accordance with the approved BWP of the pilot project.
- 2.2 Release of fund for the initial year shall be made immediately upon approval of the BWP. However, subsequent releases which should be made in the fourth quarter of the preceeding year, shall be made only if cash advances have all been properly liquidated and that all quarterly reports of financial status using DENR-UDP Form No. 3, and disbursement/accountability report using DENR-UDP Form No. 5 for the previous quarters, have all been submitted by the FCO to the UDP Accountant thru channels.

3. Depository Bank

The DENR UDP Treasurer shall remit the fund through interbank transfer in favor of the following current accounts in accordance with existing policies and rules:

- a. "DENR Benguet Upland Development Trust Fund" for the project in Sablan, Benguet;
- b. "DENR La Union Upland Development Trust Fund" for the project in Caba, La Union;
- c. "DENR Qurino Upland Development Trust Fund" for the project in Dumapata, Quirino;
- d. "DENR Zambales Upland Development Trust Fund" for the project in Botolan, Zambales;
- e. "DENR mindoro Upland Development Trust Fund" for the project in Mansalay, Oriental Mindoro;
- f. "DENR Laguna Upland Development Trust Fund" for the project in Sta. Maria, Laguna;
- g. "DENR Catanduanes Upland Development Trust Fund" for the project in Baras, Catanduanes;
- h. "DENR Guimaras Upland Development Trust Fund" for the project in Buenavista, Guimaras Island;
- i. "DENR Alcoy Upland Development Trust Fund" for the project in Alcoy, Cebu;
- j. "DENR Catmon Upland Development Trust Fund" for the project in Catmon, Cebu;
- k. "DENR Tacloban Upland Development Trust Fund" for the project in Bo. Camansihay, Tacloban City;
- l. "DENR Zamboanga Upland Development Trust Fund" for the project in Pamucutan, Zamboanga City;
- m. "DENR Labason Upland Development Trust Fund" for the project in Labason, Zamboanga del Norte;
- n. "DENR Misamis Upland Development Trust Fund" for the project in Alubijid, Misamis Oriental;
- o. "DENR Davao Upland Development Trust Fund" for the project in Magsaysay, Davao del Sur; and
- p. "DENR Sultan Kudarat Upland Development Trust Fund" for the project in Pamantingan, Sultan Kudarat.

4. Disbursement

All expenses chargeable against the Trust Fund shall be disbursed under the following conditions:

- 4.1 Withdrawals of fund shall be limited to the approved Estimated Monthly Expenses using the prescribed DENR-UDP Form No. 4, prepared by the FCO, noted by the CENRO, and approved by the

PENRO provided that expenses greater than Thirty Thousand Pesos (P30,000) shall be approved by the RED.

4.2 Each withdrawal shall be supported by duly approved DENR-UDP Form No. 1 prepared, and certified as to availability of funds, by the FCO; expenses certified by the CENRO; and approved by the PENRO.

4.3 All project expenses shall be paid out of the monthly cash advance drawn from the current account using properly accomplished check. Checks are prepared and signed by the FCO and countersigned by the PENRO.

4.3.1 **Personal Services.** Payments of monthly subsistence allowance and expenses of similar nature shall be based on duly accomplished payroll using DENR-UDP Form No., 2 and Daily Time Record of the project personnel.

4.3.2 **Travel.** Expenses under this category shall be paid upon presentation of the approved travel order, itinerary of travel and voucher. Tickets, Certificate of Appearance, Reimbursement Expense Receipts (RER), and travel accomplishment report shall be submitted within one week after the completion of travel.

4.3.3 **Supplies and Materials including semi-expendable Equipment such as Farm Implement.** These shall be paid on the basis of approved Requisition and Issue Voucher (RIV). Receipts evidencing purchase and certification as to reasonableness of price in the locality shall be submitted for liquidation immediately upon conclusion of the business transaction. Issuances/use of supplies and materials shall be properly recorded in an appropriate log book maintained for the purpose. Memorandum Receipts shall be issued to recipients of equipments procured by the project/program.

4.3.4 **Sundries.** Payments of expenses other than those mentioned above shall be covered by DENR-UDP Form No. 1 supported by receipts or documents evidencing transaction.

All documents paid under 4.3 shall be stamped PAID showing date of payment.

4.4 Monthly disbursement/accountability reports using DENR-UDP Form No. 5 shall be used to liquidate cash advances. These shall be submitted by the FCO

- 4.5 No cash advance shall be granted unless the previous cash advance has been liquidated.
- 4.6 If cash advance for a given month is insufficient to cover all expenses incurred by the project for that period, said unpaid expenses shall be included in the succeeding month.
- 4.7 Cash advance for the succeeding month shall be limited to the estimated total monthly expenses less the excess of the previous cash advance.

5. Book of Accounts

All books of accounts and bank records shall be kept by the FCO while paid voucher/payrolls shall be submitted to the Undersecretary for Field Operations and Chairman of the UDWG through the Program Executive Secretary. These shall be filed with the Accountant and Auditor of the Program, and should be made available to other personnel authorized to conduct an audit following a prescribed procedure.

6. Reporting

Quarterly reports of financial status using DENR-UDP Form No. 3 and disbursement/accountability report using DENR-UDP Form No. 5 shall be submitted to the Undersecretary for Field Operations through the Program Executive Secretary.

The members of the Regional Upland Development Committee are hereby enjoined to familiarize themselves with procedures governing the custody, handling and accounting of the Pilot Project Trust Fund.

This Circular takes effect immediately and amends/revokes all previously issued circulars, memoranda and orders that are inconsistent herewith.

VICTOR O. RAMOS
Undersecretary for Field Operations