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Department of Environment and Natural Resources
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MAR 31 2009

MEMORANDUM CIRCULAR
No. 2009- 06

Subject: **ADMINISTRATIVE AND FINANCIAL GUIDELINES
OF THE UPLAND DEVELOPMENT PROGRAM**

Pursuant to Memorandum Circular 2008-04 "The 2009 Upland Development Program (Reforestation and Agroforestry)" and Memorandum Circular 2009-03 "Supplemental Guidelines and Procedures in the Implementation of the UDP" and to ensure transparency and accountability in the financial management and disbursement of the program funds, the following administrative and financial guidelines are hereby issued:

Section 1: Preparation of Work and Financial Plan and Cash Program

Upon receipt of the approved budget ceiling from the DENR Central Office, the Regional Office in coordination with the CENROs and PENROs within their jurisdiction shall prepare and consolidate Work and Financial Plan supported by the Cash Program. The same shall be submitted to the Department of Budget and Management (DBM) thru the DENR Central Office and shall serve as basis in the issuance of the Special Allotment Release Order (SARO) and Notice of Transfer Allocation (NTA).

Section 2: Transfer of Funds

Based on the Agency Budget Matrix (ABM)/SARO the Budget Division, Financial and Management Service shall immediately issue the Sub-Allotment Release Order (Sub-SARO) to the regions/PENROs. The issuance of the NCA/NTA to the regions/PENROs shall be based on the submitted Cash Program.

The RO/PENROs shall ensure that the allotment received will be used for UDP related activities only. Disbursement of funds shall be closely monitored considering that the NTA will automatically lapse at the end of each month.

Section 3: Allocation of Funds

Funds transferred to the regions shall be allocated as follows:

- a. Development Cost – covers the activities on nursery and seedling production, upland/coastal reforestation, agroforestry and Assisted Natural Regeneration (ANR).
- b. Project Management and Support Services (PMSS) – covers all related expenses in the conduct of ground survey and mapping, provisions of technical services, information, education, and extension campaign, and monitoring of project activities. Allocation per office is 25% for Regional Office, 30% for PENRO, 40% for CENRO and 5% for Central Office.

Section 4: Mode of Procurement

Procurement of goods and services shall be in accordance with RA 9184 also known as the Government Procurement Reform Act using the DENR Customized Procurement Manual duly approved by the Government Procurement Policy Board (GPPB) thru Resolution No. 31-2007 dated 14 December 2007.

Pursuant to COA Circular 2009-001 dated 25 February 2009, copy of the UDP contracts/Letter of Agreement (LOA) and Purchase Requests (PRs) together with the supporting documents shall be submitted by the Accountant/Administrative Officer to COA within five (5) working days upon its approval.

Section 5: Administrative Requirements for Payment

The Regional Office shall assign control number to all the PENROs and CENROs. The control number should be used exclusively by a specific project or LOA and no two LOAs should bear the same numbers. LOA Number 4b-01-01-001 would mean that the contract is issued in Region 4b, PENRO # 1, CENRO # 1 and the first LOA signed in the CENRO 1. LOA Number 2-01-02-001 would mean that the LOA is in Region 2, PENRO 1, CENRO 2, and the first LOA issued for CENRO 2.

Upon the recommendation of the PENRO BAC (PBAC) and approved by the PENRO, CENRO shall prepare and sign the LOA in quadruplicate copies containing the Geographical Positioning System (GPS) reading of the first corner of the one-hectare lot. The original copy shall be kept at the Accounting/PENRO, duplicate with the contracting party, triplicate at the CENRO, and quadruplicate to COA/Resident Auditor. It is understood that the LOAs are covered by certificate as to the availability of funds/ Allotment Release. The list of the approved and issued contract shall be submitted by the PENROs to the RTD for Forestry who shall in turn submit to the FMB.

The LOA need not be notarized since the contracting party is the government which makes it a public document.

Section 6: Procedures of Payment

Upon signing of contracts by both parties and issuance of the Notice to Proceed, the PENRO shall release a Mobilization Fund (MF) equivalent to fifteen percent (15%) of the total contract cost through a check issued in favor of the contractor/beneficiary.

- The mobilization fund shall be used to start up activities identified in the WFP. The same shall be recouped/recovered through deduction of 70% of the MF in the first billing and 30% of the MF in the second billing.
- The contractor/beneficiary shall submit the request for payment to the CENRO concerned and the Task Force # 2 as created under MC No. 2009-03 shall assist in the preparation of the following supporting documents :
 - Progress and Statement of Work Accomplishment (SWA) Reports
 - Sketch map indicating the areas developed
 - Photo documentation of the area developed
- Payment of progress billing shall be based on accomplishment in accordance with the schedule of activities under section 5.6 of Memorandum Circular 2009-05 as amended.
- A ten percent (10%) of the remainder will then be retained to cover all defects that may be detected, including maintenance costs for one year after project completion. This amount will be returned to the beneficiary only after the one-year holding period to cover deficiency liability.

Section 7: Inspection and Acceptance of Project Accomplishment

The inspection and acceptance of project accomplishments are the full responsibility of the Inspection and Acceptance Committees (IACs) and the Task Forces created for this purpose.

The PENRO may create additional IAC/s depending on the number of contracts and geographical location of the UDP sites. The composition and functions of the said committees are stipulated in Section 6 of MC 2009-03.

Section 8: Registry of Reforestation Projects

Consistent with the Manual on the New Government Accounting System a Registry of Reforestation Projects (RRP) shall be maintained for each LOA (Annex 1). The PENROs, ROs and CO shall consolidate and maintained the Registry of Public Infrastructure Summary (RPIS) every end of the quarter (Annex 2).

In case the reforestation projects are destroyed due to fortuitous events, an Inspection Committee shall evaluate immediately the extent of damage. The report as approved by the RED together with PAG-ASA weather report, pictures and other documents that would prove there was an initial accomplishment, and proof that the project has been damaged shall be used as basis for dropping the specified project from the RRP and RPIS. However, such project shall be evaluated whether there is still a need to pursue or discard the project so that the remaining funds can be earmarked for another project site.

Section 9: Preparation of Report of Disbursements

The PENRO shall maintain Subsidiary Ledger (SL) per account. Report of disbursement shall follow the existing accounting and auditing rules and regulations.

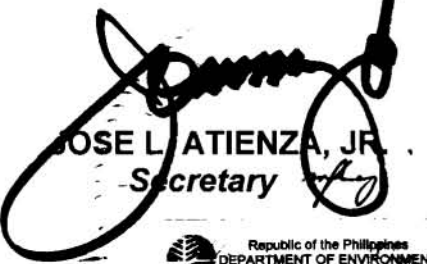
Section 10: Monitoring of Funds



The monitoring of disbursement out of the UDP Funds shall be a joint responsibility of the Finance and Planning Divisions of the RO.

Section 11: Authority of Undersecretary for Administration, Finance and Legal

For immediate and effective financial management implementation, the Undersecretary for Administration, Finance and Legal is hereby authorized to issue supplemental guidelines.

This Order takes effect immediately and supersedes all other issuances inconsistent herewith.


JOSE L. ATIENZA, JR.
Secretary

 Republic of the Philippines
DEPARTMENT OF ENVIRONMENT
AND NATURAL RESOURCES
IN REPLYING, PLS CITE:
SEN-019746


REGISTRY OF REFORESTATION PROJECTS (RRP)

INSTRUCTIONS

- A. This form shall be accomplished as follows:
1. **Agency** – name of agency
 2. **Office** – name of office/unit
 3. **Sheet No.** – sheet/page number
 4. **Date** – date of the Journal Entry Voucher (JEV) or date of the document used as basis for the entry in the Registry
 5. **Reference** – source documents, such as JEV No.,
 6. **Description** – specifications such as no. of hectares planted, type of seedlings and other information related to the reforestation projects
 7. **Location** – exact location of the project such as Barangay, Municipality and Province/City
 8. **Amount** – cost of reforestation project when it was transferred from Regular Agency books based on the JEV
- B. This Registry shall be used to record the cost of reforestation projects transferred from the RA books.
- C. In case the reforestation projects are destroyed due to fortuitous events, the said project shall be dropped from the Registry through a memorandum entry based on pertinent documents.
- D. Every end of the quarter, it shall be footed.
- E. It shall be maintained by the Accounting Unit and kept in a perpetual manner. No new sheet shall be prepared unless the preceding one is used up.

**REGISTRY OF PUBLIC INFRASTRUCTURES
REFORESTATION PROJECTS
SUMMARY**

DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES
OFFICE: _____

Sheet No.: _____

PARTICULARS	TOTAL AMOUNT	Amount of Public Infrastructures																			
		Agroforestry		Reforestation		Mangrove		ANR													

Source: NGAS Manual Appendix 22

REGISTRY OF PUBLIC INFRASTRUCTURES SUMMARY (RPIS)

INSTRUCTIONS

A. This form shall be accomplished as follows:

1. **Agency** – name of agency
2. **Office** – name of office/unit
3. **Sheet No.** – sheet/page number
4. **Date** – date of the Journal Entry Voucher (JEV) or date of the document used as basis for the entry in the Registry
5. **Particulars** – brief description of infrastructures for the quarter
6. **Total Amount** – total amount of the different public infrastructures of the agency at the end of the quarter
7. **Amount of Public Infrastructure** – total amount recorded in the individual Registry at the end of the quarter shall be posted under the appropriate columns in a running balance

B. This form shall be used to summarize the cost of public infrastructures which are recorded in the individual Registry.

C. Posting to this Summary shall be made quarterly.

D. The Summary shall be maintained by the office which does the consolidation.

Example:

DENR Central Office - maintains the RPIS of all Regional Offices
DENR Regional Offices - maintains the RPIS of all PENROs

E. Total amount under each type of public infrastructure shall be disclosed in the Notes to the Financial Statements.