

GUIDELINES ON THE RELEASE AND MONITORING OF FUNDS CHARGEABLE AGAINST THE COUNTRYWIDE DEVELOPMENT FUND

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Purpose

This Circular is issued to prescribe guidelines on the release and monitoring of funds authorized under the General Appropriations Act for the Countrywide Development Fund.

2

General Guidelines

2.1 The Countrywide Development Fund shall be released and used in accordance with the provisions of the General Appropriations Act and the guidelines prescribed under this Circular.

3

Specific Guidelines

Nature of Projects

3.1 In general, projects to be funded from the CDF shall contribute to the development thrusts of the government such as:

3.1.1

Infrastructure projects, including roads, bridges, waterworks, electrification, schoolbuildings and other public buildings/facilities;

3.1.2

Livelihood projects, including those covered by existing programs of government agencies (e.g. LBP's Countryside Partnership Scheme);

3.1.3

Projects geared toward improving the health, social and economic conditions of a community;

3.1.4

Calamity assistance to a province/municipality (repair or rehabilitation of structures, relief assistance) provided that the proposed assistance) is supported by a presidential proclamation or certification from the National Disaster Coordinating Council specifying the area as a calamity area;

3.1.5

Purchase of equipment.

3.2 Projects should be implementable within the short term (one year) and shall not need future commitments to make these viable.

3.3 The following cannot be funded from the CDF:

3.3.1

Regular operating requirements of government agencies/local government units (e.g. supplies and materials, uniforms, school paraphernalia, maintenance of properties and equipment, travel expenses) as well as grants and subsidies;

3.3.2

Personal expenditures (i.e., payment of salaries for old or new personnel including honoraria, allowances, bonus and similar forms of compensation);

Implementing Agency

3.4 The following may be designated as implementors of CDF projects:

3.4.1 Agencies of the government including government corporations;

3.4.2 Local government units (province/city/municipality)

3.5 A government agency shall implement only those projects/programs which fall within its mandated functions. Should an LGU be designated to implement programs/projects that are within the mandated functions of a regular government agency/corporation, a resolution from the concerned Sangguniang Bayan or Sangguniang Panlalawigan shall be submitted the request.

3.6 A barangay or a non-governmental organization (cooperative, foundation, etc. cannot directly implement CDF projects. However, they maybe be contracted to undertake specific activities under the project by a government agency/corporation or an LGU.

3.7 Only government financial institutions (GFIs) may implement credit facilities funded from the CDF. Said credit facilities shall be constituted as a revolving fund and deposited in trust until such time that the project is terminated. Project termination shall be stipulated in the Memorandum of Agreement between the proponent and the GFI.

Realignments

3.8 Any realignment involving CDF projects (changes in implementing agency, project specification, project location and fund requirements) have to be approved by the DBM. Requests for realignment shall be allowed only within a period of six months from the date of the issuance of the SARO. However, realignments which require the issuance of a SARO to effect either a change in allotment class (from Maintenance and Other Operating Expenses to Capital Outlays or vice versa) or a change in implementing agency shall no longer be allowed beyond December 31 of the year during which the SARO was issued.

Use of Unexpended Balances of Allotments

3.9 LGUs may requests for the use of unexpended balances of allotments for expansion of the project originally funded, or projects allied to the ones previously funded; provided the endorsement of the original project proponent is obtained.

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Procedural/Accounting Guidelines

4.1 Requests for release of funds chargeable against the CDF shall be submitted directly to the Department of Budget and Management (DBM). The list of priority projects/activities which shall serve as the basis of the DBM for the release of the Special Allotment Release Order (SARO) and the corresponding cash requirement to the implementing agency, shall specify the following:

- 4.1.1 Nature of project/project description;
- 4.1.2 Project location;
- 4.1.3 Fund requirement or project cost; and
- 4.1.4 Implementing agency.

4.2 All local government units shall take up releases charged against the CDF as trust accounts in their books of account. After project completion, any cash balance shall be remitted to the National Treasury for credit to the account of the Budget and Finance Bureau F, Department of Budget and Management (BFB-F, DBM) copy furnished said Bureau with the Authorized Government Depository Bank deposit slip. The purpose of the remittance shall be indicated on the deposit slip.

4.3 Requests for realignment shall be submitted to the DBM and supported by the following documents:

4.3.1

For requests which do not require the withdrawal of funds from an LGU (whether or not a change in implementing agency is involved):

4.3.1.a Request of the head of agency/local government executive concerned indicating the following:

- a.1 Projects to be realigned;
- a.2 Proposed project(s);
- a.3 AA(s)/SARO(s) affected; and
- a.4 Implementing agency.

4.3.1.b Indorsement of the original project proponent (Congressman/Senator concerned or the Vice-President);

4.3.1.c Certification from the agency Chief Accountant or the Local Treasurer that the amount being realigned has not been obligated and the funds remain available. (sample as Annex A).

4.3.2 Requests for realignment requiring the withdrawal of funds from an LGU:

4.3.2.a Requirements under Section 4.3.1;

4.3.2.b Copy of the deposit slip indicating that the amount to be transferred has been deposited by the LGU to the Bureau of Treasury for the account of the BFB-DBM through the authorized government depository bank;

4.3.2.c Certification from the Bureau of Treasury that the amount has been deposited to the account of the Budget and Finance Bureau F, DBM.

4.3.3 Requests for the use of unexpended balances of allotments:

4.3.3.a Requirements under 4.3.1.a and 4.3.1.b;

4.3.3.b Certification by the provincial/city/municipal treasurer, approved by the Governor or city/municipal mayor and verified by the Auditor concerned that projects have actually been completed and that savings have been actually generated.

4.4 All unobligated allotments/savings of National Government Agencies from the CDF at the end of the validity period of said allotments shall be reverted to the Cumulative Results of Operation-Unappropriated of the General Fund and copies of the Journal Voucher taking up the reversion shall be submitted to the Budget and Finance Bureau-F, DBM.

5

Report of Fund Utilization and Accomplishment

5.1 Reports on the utilization of releases from the CDF shall be prepared annually (June and December) by implementing agencies until the completion of the project. Said report shall be certified correct by the head of the NGA/Corporation/LGU concerned and verified by the COA representative. The prescribed format is attached as Annex B*.

5.2 This Report shall be submitted directly to the Budget and Finance Bureau F, DBM.

6

Saving Clause

Cases not covered by this Circular shall be referred to the Department of Budget and Management.

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Effectivity

This Circular shall take effect immediately.

Adopted: 1 July 1995

(SGD.) SALVADOR M. ENRIQUEZ, JR.

Secretary

ANNEX A

Certification of Funds Availability

To Whom It May Concern:

This is to certify that the amount of P____ released under SARO No. F2-95-____ (CDF) chargeable against the CY 19__ Countrywide Development Fund allocation of Congressman/Senator _____ to cover funding requirements for the project(s): _____ remains unobligated to date and therefore for realignment.

Issued this ____ day of ____ 19__.

Treasurer/Agency Chief Accountant

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