

**[ DBM-DPWH JOINT CIRCULAR NO. 1-98, January 01, 1998 ]**

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

**1  
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.

**2  
COVERAGE**

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

**3  
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 of 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 center, 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 area where said project will be implemented.

## **4**

### **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 Fund;

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;

4.2.1.2 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,

4.2.1.3 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 ASA 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 year's 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.