



Republic of the Philippines  
NATIONAL ELECTRIFICATION ADMINISTRATION  
Quezon City

18 May 2004

MEMORANDUM NO. 03, s. 2004

TO : ALL ELECTRIC COOPERATIVES (ECs)


SUBJECT : Subsidy Fund Releases to ECs

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To facilitate and fast-track the processing and release of subsidy funds, to ECs, attached Annex "A" summarizes the salient features of the procedures that NEA and ECs should follow. The timetable shows that the check for subsidy funds will be released to ECs three (3) days after receipt of documents by NEA.

To ensure timely release of funds for the implementation of the electrification program, the EC should submit the required five (5) complete sets of documents duly accomplished and signed.

For your information and guidance.

  
EDITA S. BUENO, CESO III  
Administrator *jj*

NATIONAL ELECTRIFICATION  
ADMINISTRATION

IN REPLYING, PLS. QUOTE: NR004832



NR-0R004832

*ew*  
*5/20/04*

NATIONAL ELECTRIFICATION ADMINISTRATION  
Subsidy Fund Releases System

**OBJECTIVE:** To provide guidelines in the processing and release of Electric Cooperative's (EC) request for release of subsidy fund to ensure that the project is provided with budget allocation and cash appropriation.

**PROCEDURES:**

**A. ELECTRIC COOPERATIVE**

1. Based on approved Work Plan (WP), the EC prepares the Request for Release of Construction Loan/Subsidy Fund (RRCLSFS) and supporting documents in five (5) original copies.  
Supporting Documents include:
  - a. EC Board Resolution, if project is not included in approved WP.
  - b. Summary of Line Sections.
  - c. Staking Sheets.
  - d. Summary of Construction Assembly Units.
  - e. Bill of Materials and Cost Estimates.
  - f. Construction Work Schedule (per line section).
2. Indicates in RRCLSFS in full the name of the EC, code no., date, the name and total cost of project, signed by the GM and Board President.
3. Submits to Data Encoder of Systems Planning and Evaluation Division (SPED) under the Engineering Department of NEA.

**B. ENGINEERING DEPARTMENT – NEA**

1. Checks and reviews the completeness of the documents.
2. Evaluates project.
3. Prepares "Memo Evaluation/Recommendation".  
Note: If the cost of material handling to be incurred by the EC is much higher than the cost of materials to be withdrawn from the staging area, no deduction of materials allocation will be made from the total evaluation/recommended cost.
4. Types on the "Amount – Approved" column of RRCLSFS the evaluated/recommended cost.

Inquires verbally from Financial Planning and Control Division (FPCD) if the project has funding source.

If there is no funding source, coordinates to Corporate Planning Office (CORPLAN) to look for funding allocation.

5. Based on evaluated/recommended cost, prepares Disbursement Voucher (DV) in five (5) copies.
6. Approves and signs the "Approved Cost of Project-By" portion of the RRCLSF and "Approved By" portion of the Memo Evaluation/Recommendation.

Signs the "Certified" portion of Box A of DV if the amount is P500,000.00 and below.

Note: For amounts above P500,000.00, Deputy Administrator for Electric Distribution Utilities Services (DAEDUS) shall sign the "Certified" portion of Box A of DV.

#### **C. FINANCE SERVICES DEPARTMENT (FSD) – NEA**

1. The Financial Planning & Control Division (FPCD) reviews all documents as to completeness and authorized signatories.

Signs RRCLSF under the FSD portion.

2. The Financial Services & Accounting Division (FSAD) checks completeness of all documents, mathematical accuracy and if duly approved and signed by authorized officers.

Indicates in DV the assigned DV number and correct journal entries.

3. Signs on the "Certified" portion under Box B of DV.
4. The Treasury Division prepares check upon receipt of approved DV (Box C of DV is signed by authorized signatory).
5. Upon receipt of duly signed check, the Treasury Division releases the check to payee or authorized representative and request for official receipt.

Request the payee or authorized representative to sign in the DV and subsidy fund logbook.

#### **D. OFFICE OF THE DEPUTY ADMINISTRATOR FOR CORPORATE RESOURCES & FINANCIAL SERVICES**

1. Reviews DV and RRCLSF with its supporting documents as to completeness, necessity, legality and appropriate authorized signatories.

Signs in the "Approve" portion under Box C of DV.

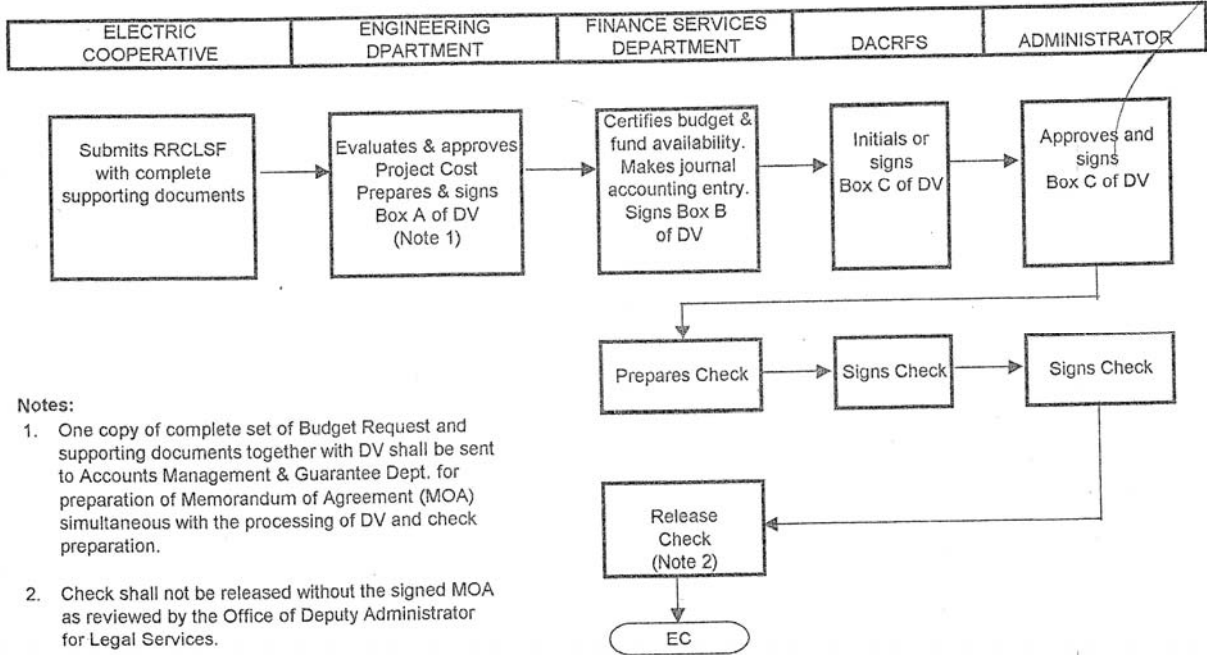
Note: If the amount of DV is above P500,000.00, initials in the "Approve" because the Administrator will sign the "Approve" portion of Box C.

2. Reviews accuracy and completeness of information in the Check and check voucher against DV.

Signs the Check and check voucher.

Forwards the check and all copies of documents to Treasury Division of the Financial Services Department (FSD).

**NATIONAL ELECTRIFICATION ADMINISTRATION  
Subsidy Fund Releases System**



**Notes:**

1. One copy of complete set of Budget Request and supporting documents together with DV shall be sent to Accounts Management & Guarantee Dept. for preparation of Memorandum of Agreement (MOA) simultaneous with the processing of DV and check preparation.
2. Check shall not be released without the signed MOA as reviewed by the Office of Deputy Administrator for Legal Services.

**NATIONAL ELECTRIFICATION ADMINISTRATION  
Subsidy Fund Releases System**

TIMETABLE  
for  
LOAN/SUBSIDY RELEASES

OFFICE	ACTIVITY	NO. OF DAYS		
		1	2	3
<b>Engineering Department</b>				
Systems Planning & Evaluation Division	Evaluates, recommends project cost & prepares DV	/		
Department Manager	Approves project cost & signs Box A of DV	/		
<b>Financial Services Dept.</b>				
Financial Planning & Control Division	Certifies budget appropriation and fund availability		/	
Financial Services & Accounting Division	Assigns DV number and Inputs accounting journal entry		/	
Department Manager	Signs Box B of DV		/	
Treasury Division	Prepares & releases Check			/
<b>DACRFS</b>	Initials or signs DV and Check			/
<b>Administrator</b>	Signs DV and Check			/

**SIMULTANEOUS WITH THE ABOVE PROCESS:**

Accounts Management & Guarantee Department	Prepares Memorandum of Agreement (MOA)		/	
Deputy Administrator for Legal Services	Reviews MOA			/