



October 11, 2016

MEMORANDUM No. 2016-022

TO : ALL ELECTRIC COOPERATIVES (ECs)

SUBJECT : Release of Subsidy Funds for Sitio Electrification Program (SEP) and Barangay Line Enhancement Program (BLEP) Projects

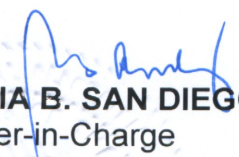
The Commission on Audit (COA) in its Audit Observation Memorandum (AOM) observed that the significant amount of unliquidated subsidy releases to ECs could have been reduced had NEA strictly implemented Item No. 2 of COA Circular No. 2012-001 which states that,

"NGOs/POs are not allowed to participate in the implementation of any program or project of government agencies until such time that any earlier fund releases availed by the said NGOs/POs shall have been fully liquidated pursuant to pertinent and auditing rules and regulations as certified by the Head of the Agency concerned and the COA Auditor."

Hence, COA recommended that NEA refrain from granting subsequent releases to ECs with unliquidated subsidies.

In view thereof and in compliance with the COA recommendation, no new subsidy fund will be released to the EC for new SEP/BLEP projects unless the previously funded projects are completed and funds are fully liquidated. ECs are therefore enjoined to strictly observe Section 3 and 4 of the MOA on project timeline completion and liquidation.

For your guidance and strict compliance.


SONIA B. SAN DIEGO
Officer-in-Charge

NATIONAL ELECTRIFICATION ADMINISTRATION
Office of the Administrator



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10/12/16