



April 11, 2018

**MEMORANDUM No. 2018-025**

**TO : ALL ELECTRIC COOPERATIVES**

**SUBJECT : AMENDMENT TO NEA MEMORANDUM NO. 2018-001  
 "POLICY GUIDELINES ON THE IMPLEMENTATION OF SITIO  
 ELECTRIFICATION PROGRAM (Phase 2-Grid Connection)"**

.....

Please be informed that the NEA Board of Administrators, under Board Resolution No. 57 dated March 16, 2018, approved the Amendment to NEA Memorandum No. 2018-001 "Policy Guidelines on the Implementation of Sitio Electrification Program (Phase 2-Grid Connection)", to wit

**RATIONALE:**

Corporate Budget Memorandum No. 40 issued by the Department of Budget and Management (DBM) on January 3, 2018 mandated all Government-Owned or Controlled Corporations (GOCCs) to adapt and implement for FY 2019 the new budget reform bill of shifting from a multi-year obligation-based budget to an annual cash-based budget.

To put more emphasis on accelerating program delivery by shifting to a One Year Horizon with annual cash-based budget, the budget as planned and legislated should be fully executed within the year. The shift strengthens the focus and accountability of government and ensures that its operation are on schedule and appropriated budgets are fully disbursed within the fiscal year. Also, to limit the national budget to the cash requirements for the goods and services that will actually be delivered within the year.

**BACKGROUND**

The existing Policy Guidelines on the Implementation of Sitio Electrification Program (Phase 2- Grid Connection) under **Section IV, Implementing Guidelines, Clause B, Schedule of Fund Release, Item Nos. 4 and 5**, provides the following

**IV. IMPLEMENTING GUIDELINES**

**B. Schedule of Fund Release**

4. The Deputy Administrator for Corporate Resources and Financial Services (DACRFS) then recommends the Request for the Release of Construction Funds (RRCF) to the Administrator for final approval of release of funds to the EC.

5. Upon approval of the RRCF for a specific project classification, funds shall be released by the Treasury Division (TD) to the ECs as follows:
  - First release shall be seventy percent (70%) of the total evaluated project cost to cover mobilization, full payment of the material cost and after submission of the Notice of Award/Notice to Proceed with the winning bidder.
  - Second release shall be twenty percent (20%) of the total project cost after completion of at least 50% physical accomplishment of the project including submission of the duly signed Budget Request, accomplishment report and accounting of funds of the initial subsidy release (70%).
  - Third/final release shall be ten percent (10%) of the total project cost after final inspection/acceptance of the project including submission of Certificate of Completion of Project, Certificate of Energization, Certificate of Final Inspection and Acceptance (CFIA), Final Accounting of Funds of the project, As built staking sheets and bill of materials, Project Implementation Report, Summary of Household Connections including list of beneficiaries per sitio and Budget Request.

## **AMENDMENT**

To implement FY 2018 budget as if it is a cash-based budget as recommended by DBM and to correct the statement of Item No. 4, **Section IV, Implementing Guidelines, Clause B, Schedule of Fund Release, Item Nos. 4 and 5** of the existing policy guidelines are amended, as follows:

### **IV. IMPLEMENTING GUIDELINES**

#### **B. Schedule of Fund Release**

4. The Administrator/Deputy Administrator for Corporate Resources and Financial Services (DACRFS) then approves the release of funds to the EC.
5. Upon approval of RRCF for a specific project classification, funds shall be released by the Treasury Division (TD) to the ECs as follows:
  - Initial release shall be ninety percent (90%) of the total evaluated project cost to cover mobilization, full payment of the material and labor cost and after submission of the Notice of Award/Notice to Proceed with the winning bidder.
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(CFIA), Final Accounting of Funds of the project, As built staking sheets and bill of materials, Project Implementation Report, Summary of Household Connections including list of beneficiaries per sitio and Budget Request.

**EFFECTIVITY**

This Amendment on Schedule of Fund Release shall take effect on SEP and other subsidy-funded projects with funds release in Year 2018 and onwards.

Please be guided accordingly.

  
**EDGARDO R. MASONGSONG**  
Administrator



NEA-DA251303 *4/7/18*



# NATIONAL ELECTRIFICATION ADMINISTRATION

"The 1<sup>st</sup> Performance Governance System-Institutionalized National Government Agency"  
57 NIA Road, Government Center, Diliman, Quezon City 1100



Management System  
ISO 9001:2015



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April 17, 2018

## THE DIRECTOR

Office of the National Administrative Register  
University of the Philippines Law Center  
U.P. Law Center, Diliman  
Quezon City

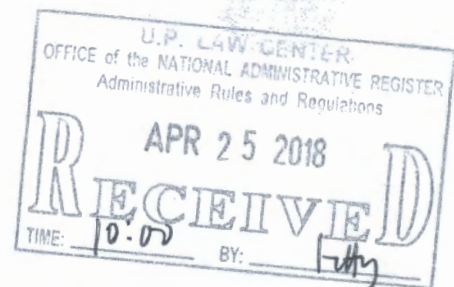
Sir:

Pursuant to Book VII, Chapter 2, Section 3 of the 1987 Administrative Code of the Philippines, we are respectfully submitting to the U.P. Law Center, for filing, publication and recording the attached certified true copies of the "**AMENDMENT TO NEA MEMORANDUM NO. 2018-001 "POLICY GUIDELINES ON THE IMPLEMENTATION OF SITIO ELECTRIFICATION PROGRAM (PHASE 2-GRID CONNECTION)"**" promulgated by the National Electrification Administration (NEA) in accordance with its authority under Section 5 of P.D. No. 269 as amended.

Thank you very much for the usual and kind assistance of the U.P. Law Center.

Very truly yours.

**ALEXANDER PAUL T. RIVERA**  
Corporate Board Secretary V





**AMENDMENT TO NEA MEMORANDUM NO. 2018-001 "POLICY GUIDELINES ON THE IMPLEMENTATION OF SITIO ELECTRIFICATION PROGRAM (Phase 2-Grid Connection)"**

**RATIONALE:**

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**BACKGROUND**


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**IV. IMPLEMENTING GUIDELINES**

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*Handwritten notes and signatures on the left margin.*

REPUBLIC OF THE PHILIPPINES  
 NATIONAL ELECTRIFICATION ADMINISTRATION  
 QUEZON CITY  
 OFFICE OF THE CORPORATE SECRETARY  
 CERTIFIED TRUE COPY  
  
 ATTY. ALEXANDER PAUL T. RIVERA

U.P. LAW CENTER  
 OFFICE of the NATIONAL ADMINISTRATIVE REGISTER  
 Administrative Rules and Regulations  
 APR 25 2018  
**RECEIVED**  
 TIME: 10:52 BY: *[Signature]*

- Third/final release shall be ten percent (10%) of the total project cost after final inspection/acceptance of the project including submission of Certificate of Completion of Project, Certificate of Energization, Certificate of Final Inspection and Acceptance (CFIA), Final Accounting of Funds of the project, As built staking sheets and bill of materials, Project Implementation Report, Summary of Household Connections including list of beneficiaries per sitio and Budget Request.

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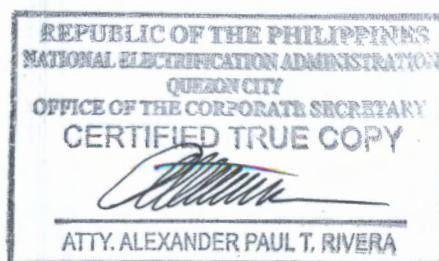
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## EFFECTIVITY

This Amendment on Schedule of Fund Release shall take effect on SEP and other subsidy-funded projects with funds release in Year 2018 and onwards.



*[Handwritten notes on the left margin]*

**CLUSTER ON TOTAL ELECTRIFICATION**

  
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Oversight

  
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Co-Chairman

  
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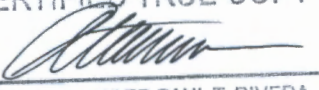
  
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Secretariat

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QUEZON CITY  
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ATTY. ALEXANDER PAUL T. RIVERA