

DRN: FMS-RPBD-A-COMM-23-04-56498-S

FOR : **HEADS OF ALL OFFICES, BUREAUS, SERVICES AND UNITS**
DSWD Central Office

THE REGIONAL DIRECTORS
DSWD Regional Offices-I to XII, NCR, CAR and CARAGA

FROM : **THE UNDERSECRETARY**

SUBJECT : **FINANCIAL MANAGEMENT GUIDELINE NO. 38 - GUIDELINES IN THE SUBMISSION OF PROJECT PROPOSALS FOR EXPENDITURES WITH COST PARAMETERS**

DATE : **July 5, 2023**

In the interest of service and consistent with the mandate to regularly undertake the improvement of systems and procedures in the financial management, the subsequent guidelines hereto are prescribed to assist the Offices/Bureaus/Services/Units (OBSU) and Field Offices (FO) in executing activities for expenditures with cost parameters.

I. LEGAL BASIS

1. Republic Act (RA) No. 11032, also known as the Ease of Doing Business and Efficient Government Service Delivery Act of 2018
2. FY 2023 Work and Financial Planning Guidelines and the applicable WFP guideline for the applicable year

II. OBJECTIVES

1. To provide guidance as to what proposals are required to be submitted to the Financial Management Service for certification on availability of funds.
2. To undertake reengineering of systems and procedures in financial management in order to facilitate the immediate processing and procurement of items of expenditure that are not covered by cost parameters, as indicated in the Annual Work and Financial Plan (WFP).

3. To avoid the occurrence of price changes for goods and services due to the time lapse between the processing and review of documents and the time they are submitted for procurement.

III. COVERAGE

This guideline shall be applied for the items of expenditure enumerated below as included in the Project Procurement Management Plan (PPMP) and indicated in the Annual WFP of the various OBSUs of the Department, as follows:

1. Items of expenditures with cost parameters that are subject to procurement;
2. Grants and subsidies with a cost parameter that are subject to procurement;
3. Inter-office meetings;
4. Awards and Recognition with cost parameters¹; and
5. Other items of expenditures with cost parameters, as will be covered by any new guideline or as will be included in the WFP guideline of the applicable year

IV. DEFINITION

1. Annual Work and Financial Plan (WFP) presents the Department's physical and financial targets during the fiscal year in terms of plans for conduct of activities and program/project implementation with corresponding budget allocation; that is consistent with the National Expenditure Program (NEP) and the General Appropriations Act (GAA)².
2. Project Procurement Management Plan (PPMP) refers to the procurement plan of a specific program/project/activity (PAP) of the agency. This shall include information on whether the PAP will be contracted out, implemented by administration or consigned; the type and objectives of contract to be employed; the extent/size of contract scopes/packages, the procurement methods to be adopted, time schedule for each procurement activity and contract implementation, and estimated budget for the general components of the contract³.

V. OPERATIONAL GUIDELINES

1. On the basis of the WFP of the OBSUs and for the procurement of goods and services, the CO OBSU/FO must prepare the following:

¹ e.g. PRAISE guidelines

² DSWD AO No. 8, Series of 2019

³ Section 4.9, DBM Circular Letter No. 2010-9, dated December 30, 2010

- a. PPMP⁴; and
 - b. Individual project proposals for expenditures with cost parameters
2. The CO OBSU/FO concerned units must submit the PPMP and the individual project proposals for expenditures with cost parameters to the Financial Management Service, Budget Division for Regular Programs/Special Projects (FMS BDRP/BDSP)/Finance and Management Division (FMD) for Certification of Availability of Funds (CAF).
 3. Activity expenditures without cost parameters shall not be included in the individual project proposals with cost parameters and shall no longer be submitted to the FMS. Its inclusion in the PPMP is sufficient basis for purposes of CAF.
 4. The individual project proposals are required **only** for the items of expenditures with **corresponding cost parameters** as indicated in the FY 2023 WFP Guideline or applicable WFP guideline of the applicable year, such as follows:

| Particulars | Composition of Cost |
|---|--|
| Conduct of training/workshop and other similar activities | <ul style="list-style-type: none"> i. Daily Travel Expenses; ii. Transportation Expenses and reasonable miscellaneous expenses; iii. Board and Lodging; iv. Training Supplies; v. Honoraria of Lecturers, Resource Persons, Coordinators, and Facilitators and Documenters; vi. Token/Plaque of Appreciation for Lecturers, Resource Persons, Coordinators, and Facilitators⁵; vii. Rental of motor vehicles, whenever applicable; |
| Inter-office meetings and Live-out activities | Provision for Meals |
| Rental of Motor Vehicles not related to training/workshop | Cost of Vehicle Rental <i>Note: Rental of Motor Vehicles not related to training/workshop and not exceeding 15 days must be subject to the approval of the Secretary⁶</i> |
| Participation to conventions, seminars, | Registration Fee |

⁴ Inclusive of all Non-Common Use Supplies and Equipment (Non-CSE) of the Offices/Bureaus/Services/Units (OBSUs), inclusive of all expenditures without cost parameters

⁵ Lecturers, RPs, facilitators that are DSWD officials and employees

⁶ DBM Budget Circular, 2022-1, dated February 11, 2022, Section 10.2, para. 4

| Particulars | Composition of Cost |
|---|--|
| conferences, symposia and similar gatherings; | |
| DSWD Standard Non-Food Items | i. Family Tents; ii. Kitchen Kits; iii. Drinking Water Kit; iv. Family Clothing Kit; v. Sleeping Kit; vi. Hygiene Kit; vii. Camp Management Kit; viii. Women Friendly Space sets; ix. Sanitation Kit; x. Shelter Kit; xi. Women Friendly Space Tents; xii. Children Friendly Space Tents; |
| DSWD Supplies for Feeding Program | i. Eating Utensils; ii. Cooking Utensils |
| Awards and recognitions | cost parameters governed by the PRAISE guidelines and other applicable CSC or COA guidelines |

5. No contingency costs shall be included in the individual activity proposals since only expenditures with cost parameters must be submitted for review by the FMS.
6. For activities in the WFP that are not included in Subsection V.4 hereof, their inclusion in the PPMP is sufficient for purposes of CAF.

An example of items without cost expenditures includes token for invited guests/observers/LGU partners, ICT systems and subscriptions, warehouse rentals and food items for disaster response.

To avoid adding a second layer of document routing for the CAF after the CAF in the PPMP, no individual proposal is needed to be submitted to the FMS for items of expenditures without cost parameters. Items of expenditures without cost parameters shall not longer be included in the proposals but instead, their related PPMP, along with the related Purchase Request (PR) and the market study, may be submitted to the AS-Procurement Division/Procurement Section for procurement.

Please note that **all goods and services** must be **specifically indicated in the PPMP**, as approved, for purposes of procurement and payment of claims. It is also construed that items included in the approved PPMP had been thoroughly reviewed and approved by the Heads of the Offices, Bureaus, Services and Units as to its purpose and necessity.⁷

⁷ Applicable to reimbursement of claims and cash advances as mode of payment

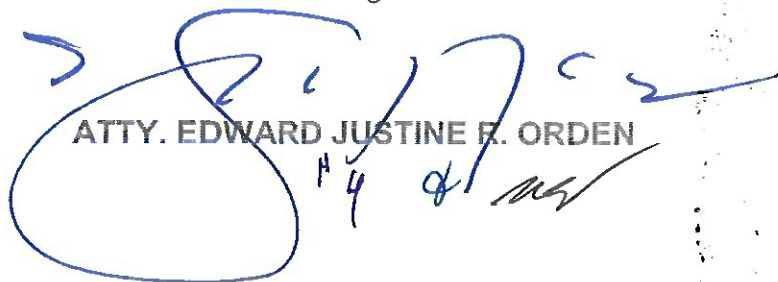
7. The CAF in the PPMP⁸ and in the individual project proposals⁹ shall be the basis for the earmarking of funds by the FMS BDRP/BDSP/FMD in the allotment appropriated for the respective program/activity/project (PAPs). Hence, for items of expenditure subject to procurement without cost parameters, the presence of a PPMP with a CAF shall be sufficient basis for the commencement of the procurement process.
8. On the basis of the CAF by the FMS BDRP/BDSP/FMD in the PPMP and the individual project proposals, no further CAF shall be required in the Terms of Reference (TOR). This is to avoid the occurrence of changes in market prices due to the time lapse between the preparation of the PPMP and submission of the TOR/PR/other documents for the procurement process.

This guideline shall take effect immediately.

Attached is a copy of the Checklist for Proposals.

Cases not covered hereto shall be referred to the Undersecretary for General Administration and Support Services for resolution.

For information and guidance.



ATTY. EDWARD JUSTINE E. ORDEN

⁸ For items of expenditures without cost parameter

⁹ Expenditures with cost parameter

Checklist for Proposals (Expenditures with Cost Parameters)

I. Requesting Office : _____
 II. Subject : _____
 III. Amount : _____

IV. Type of transaction (please check the appropriate box):

- Conduct of training/workshop and similar activities Rental of Motor Vehicles not related to Workshop
 Inter-Office meetings
 Others: Please specify

| Particulars | Available | | Remarks (for BDRP) |
|---|-----------|----|----------------------------------|
| | Yes | No | |
| Common to All CAF | | | |
| 1. The activity must be included in the WFP | | | |
| 2. If fund source is SARO, review/check specific requirements/purpose per SARO | | | |
| Required documents: | | | |
| 1. Activity Estimated Costs (with signature on Recommending Approval and/or Approved) | | | |
| 2. SWIDB Certification - on the use of SWADCAP Facility; (WFP Guidelines, memorandum from the Secretary dated March 31, 2023) | | | |
| 3. HRMDS Certification - for planning workshop (paragraph 4.8.4 of MC No. 08 Series of 2013) | | | |
| 4. Training design/Program of Activities | | | |
| 5. Detailed breakdown of expenses | | | |
| 6. WFP Activity Title | | | |
| 7. Period/Duration of the Activity | | | |
| 8. Venue (paragraph 4.6 of MC No. 08 Series of 2013 re: Omnibus Guidelines Implementing Austerity Measures...) | | | |
| 9. Participants (Indicate the number and total of CO and/or FOs) | | | |
| 10. Honorarium - for Resource Person/Facilitator (not exceeding guidelines per AO 10, S. 2019) Documenter Rate | | | |
| 11. Rental of motor vehicle (SWIDB certification - on proposed trip as part of activity design that is necessary and essential; WFP Guidelines) | | | |
| 12. Market Study (if applicable) | | | |
| 13. Approved by the Undersecretary Concerned/Secretary | | | |
| | | | For compliance as stated above. |
| | | | Thank you. |
| Submitted by: | | | |
| Designated Finance Officer | | | Chief, BDRP/BDSP/ Budget Section |