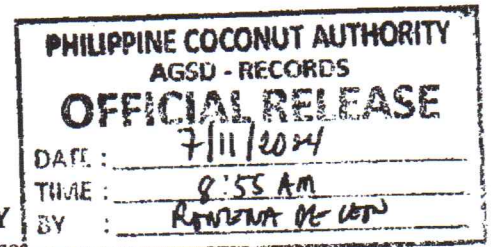




REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF AGRICULTURE
PHILIPPINE COCONUT AUTHORITY
Elliptical Road, Diliman, Quezon City 1101 Philippines
Tel. Nos.: (02) 8928-4501 to 09 · Direct Line: (02) 8926-7631
Website: pca.gov.ph



MEMORANDUM CIRCULAR
NO. 2024 - _____

01

SUBJECT: Guidelines on the Utilization of Administrative Funds for the Implementation of the Programs under the Coconut Farmers and Industry Trust Fund Act, FY 2024

RATIONALE:

WHEREAS, Republic Act 11524 known as the Coconut Farmers and Industry Trust Fund (CFITF) Act, declares it as the policy of the state to consolidate the benefits due to coconut farmers, particularly the poor and marginalized, to attain increased incomes for coconut farmers, alleviate poverty, and achieve social equality.

WHEREAS, Section 4 of RA 11524, mandated the PCA to develop the Coconut Farmers and Industry Development Plan (CFIDP) which shall take into account the distribution of the annual allocation from the Trust Fund. Provided below are the national programs and percentage distribution based on the law:

GENERAL ALLOCATION	IMPLEMENTING AGENCY	%
Hybrid Coconut Development	PCA	15%
Research on Coconut Hybrids	DOST - PCAARRD	5%
Health and Medical Programs	PCA	10%
Crop Insurance	PCIC	4%
Training / Farm Schools	ATI, TESDA	8%
Research, Marketing, & Promotion	DTI - BSMED	5%
Coconut-based Farming Systems/ Diversification	BAI, HVCDP, NDA	10%
Shared Processing Facilities	PHIL MECH	10%
Farmers Cooperatives/ Associations Development	CDA	5%
Credit Program	LBP, DBP	10%
Infrastructure Development	DPWH	10%
Scholarships	CHED	8%

Masaganang Agrikultura, Maunlad na Ekonomiya

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Division Office - Cebu

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WHEREAS, in November 2023, the Trust Fund Management Committee (TFMC) approved an increase in the disbursement allocation for 2024 to PHP 7.5 billion through the TFMC Resolution No. 11-2023.

Section 1. POLICY STATEMENT.

Pursuant to Republic Act 11524, the Trust Fund Management Committee shall set the annual allocation of the Trust Fund which shall not be less than five billion pesos per year, but which can be more if the funds shall permit. The TFMC may issue other guidelines as may be necessary to fulfill the mandate under the law.

The TFMC issued the TFMC Resolution No. 11-2023, approving the increase in the 2024 disbursement allocation of the CFITF wherein PCA was tasked to defray the administrative expenses of the implementing agencies related to the implementation of RA 11524.

The Philippine Coconut Authority, tasked with leading and overseeing the implementation of the CFITF Act, was assigned to allocate funds to other implementing agencies (IAs) to cover their administrative expenses related to CFIDP program implementation.

Section 2. OBJECTIVES.

This Circular shall provide the guidelines for the allocation and utilization of administrative funds to the IAs to ensure that these funds are directly utilized for the implementation of CFIDP programs.

Section 3. SCOPE AND COVERAGE.

In compliance with the TFMC Resolution No. 2023 - 011, the PCA shall defray the administrative expenses of the IAs related to the implementation of the RA 11524. The administrative funds may be accessed by the 12 IAs, namely: DA-PCA, CHED, DA-ATI, TESDA, CDA, DOST-PCAARRD, DA-BAL, DA-NDA, DA-HVCDP, DA-PhilMech, DPWH and DTI to increase the mobilization of their respective programs under the CFIDP for fiscal year 2024 only. On the other hand, these resources shall not be accessed by the remaining three (3) IAs specified in the law, namely PCIC, DBP, and LBP.

Section 4. DEFINITION OF TERMS.

For the purpose of this guidelines, the terms are hereby defined as follows:

- **Administrative Expenses** - refers to the expenses primarily used for major operational costs related to the CFIDP which shall include but not limited to: hiring of professional services, local travels, training, coordination and monitoring activities, and communication allowances.
- **Administrative Funds** - refers to the fund under the CFITF which will be defrayed by the PCA to the IAs in support to its CFIDP daily operations.

Section 5. DISTRIBUTION OF THE ADMINISTRATIVE FUNDS

In the FY 2024 CFITF, the total budget allocation for the implementation of the CFIDP programs is Php 7.5 billion, of which Php 405 million shall be allocated to the administrative requirements in the operations.

COMPONENT	BUDGET ALLOCATION FY 2024	ADMINISTRATIVE FUND	TOTAL FUND ALLOCATION
PCA – Coconut Hybridization Program	945,000,000.00	47,250,000.00	992,250,000.00
PCA – Health and Medical Program	525,000,000.00	26,250,000.00	551,250,000.00
Administrative Expenses			
<i>CFIDP Unallocated Funds</i>	-	102,750,000.00	102,750,000.00
<i>DOST-PCAARRD</i>	375,000,000.00	18,750,000.00	393,750,000.00
<i>ATI</i>	300,000,000.00	15,000,000.00	315,000,000.00
<i>TESDA</i>	300,000,000.00	15,000,000.00	315,000,000.00
<i>DTI</i>	375,000,000.00	18,750,000.00	393,750,000.00
<i>BAI</i>	250,000,000.00	12,500,000.00	262,500,000.00
<i>NDA</i>	250,000,000.00	12,500,000.00	262,500,000.00
<i>HVCDP</i>	250,000,000.00	12,500,000.00	262,500,000.00
<i>PhilMech</i>	750,000,000.00	37,500,000.00	787,500,000.00
<i>DPWH</i>	750,000,000.00	37,500,000.00	787,500,000.00
<i>CDA</i>	375,000,000.00	18,750,000.00	393,750,000.00
<i>CHED</i>	600,000,000.00	30,000,000.00	630,000,000.00
<i>PCIC</i>	300,000,000.00	0.00	300,000,000.00
<i>LBP</i>	375,000,000.00	0.00	375,000,000.00
<i>DBP</i>	375,000,000.00	0.00	375,000,000.00
TOTAL	7,095,000,000.00	405,000,000.00	7,500,000,000.00

Section 6. UTILIZATION, TRANSFER, AND REVERSION OF THE ADMINISTRATIVE FUNDS

- 6.1 To ensure that the funds are utilized judiciously and consistent with the mandate of the CFITF Act, the administrative funds shall be used primarily for major operational expenses that are directly related to the program, which includes the hiring of professional services, local travels, training, coordination and monitoring activities, and communication allowances. The authorized expenses shall be identified by the PCA based on the attached document (See Annex A).
- 6.2 Transfer of funds to implementing agencies shall be in the form of trust liabilities (TL), wherein the PCA shall download the administrative funds to the respective IAs, either through a current account or their existing sub-MDS account, both of which shall be utilized solely for the implementation of the CFIDP. Downloading shall be on a quarterly basis in accordance with the IA's submitted work and financial plan and other reporting requirements.
- 6.3 The TFMC, through the Bureau of the Treasury, shall coordinate with the Government Servicing Banks (GSB) to facilitate automatic reversion of unutilized funds at the end of the year.
- 6.4 The IA must accomplish at least 50% of its financial performance targets in accordance with its work and financial plan (WFP) within a particular quarter before the PCA can release its earmarked administrative funds for the succeeding quarter. This shall be validated by the PCA through the IA's quarterly progress reports to be submitted through the PCA Program Management Office.
- 6.5 Unallocated administrative funds and those not requested by the IA may be utilized and managed by the PCA, provided that the activities are directly related to the CFIDP including but not limited to: information drives, coordination meetings, and monitoring activities, and consistent with the provisions of this guidelines.
- 6.6 In case an IA exhausted its administrative funds, they can request up to an additional 5% of their initial allocation on administrative funds, chargeable against the CFIDP unallocated administrative funds, accompanied by an accomplishment report and a WFP. The PCA shall approve the request based on its evaluation and subject to the availability of funds designated for this purpose.

Section 7. RESPONSIBILITIES OF PCA.

- 7.1 Allocate the amount of Php 405 million for the administrative expenses of the concerned IAs.
- 7.2 Facilitate the signing of the supplemental Memorandum of Agreement with the IAs to initiate the transfer of administrative funds for the implementation of the CFIDP.
- 7.3 Download the administrative funds to the IAs on a quarterly basis, based on their submitted work and financial plans and the conditions set under paragraph 6.4 herein.

- 7.4 Monitor, review, and consolidate the liquidation reports submitted by the IAs related to the utilization of the administrative funds for the CFIDP.
- 7.6 Create a special unit at the regional level which shall perform duties and responsibilities consistent with the PMO mandate as stipulated in the GCG Memorandum No. 2022-01.

Section 8. RESPONSIBILITY OF THE IMPLEMENTING AGENCIES

- 8.1 Submit their respective Work and Financial Plan (WFP) and Project Procurement Management Plan (PPMP) for administrative expenses to the PCA.
- 8.2 Assist the PCA in the updating of the existing Memorandum of Agreement in relation to the CFIDP implementation through a supplemental MOA.
- 8.3 Designate permanent and alternate focal persons and coordinate with the special unit created by the PCA at the regional level. The regional focal persons shall be in-charge of monitoring the CFIDP activities in their respective areas and must represent his/her agency in all regional CFIDP-related activities. The focal persons must be designated and endorsed by the Head of Agencies to the PCA fifteen (15) days upon the effectivity of this guidelines.
- 8.4 Issue official receipts or invoices for every amount received from the PCA for administrative funds.
- 8.5 Open a separate account, either a current account or an existing sub-MDS account, dedicated solely to the administrative fund.
- 8.6 Submit quarterly liquidation reports as prescribed by the PCA.

The quarterly liquidation report shall be signed by the chief accountant, and approved by the head of the agency, officially received by their respective COAs, and submitted to PCA every 5th day of the following month. The liquidation reports will be based on COA requirements. (*See Annex B for the template for liquidation report.*)

- 8.7 Submit a certification from their respective banks to the PCA until January 31, 2024, as to the unutilized fund for administrative costs and that same was reverted to the BTr.
- 8.8 Utilization and disbursement of administrative expenses shall be subject to the applicable budgeting, accounting and auditing laws, rules and regulations.

Section 9. Repealing Clause. All issuances inconsistent with any provisions of this Circular shall be deemed repealed or modified accordingly.

Section 10. Effectivity. This Circular shall take effect immediately upon publication in the Official Gazette or newspaper of general circulation and the filing of the copy thereof with the Office of the National Administrative Register (ONAR) and shall remain in full force and effect until December 31, 2024.

Issued this July 10, 2024 in Quezon City, Philippines.


DEXTER R. BUTED 
Administrator
Philippine Coconut Authority

REPORT OF ADVICE TO DEBIT ACCOUNT ISSUED
Period Covered: _____

Entity Name: _____
Fund Cluster: _____
Bank Name/ Account No. _____

Report No.: _____
Sheet No.: _____

[illegible]

CERTIFICATION

I hereby certify on my official oath that the above is a true statement of all ADAs issued by me during the period stated above for which ADA Nos. _____ to _____ inclusive, were actually issued by me in the amounts shown thereon.

Prepared by:

Certified Correct by:

Approved by:

Chief Accountant

Head of the Agency

ANNEX A

Allowable expenses are listed below the authorized account title for Administrative Cost

ACCOUNT TITLES	
1. Traveling Expenses- Local	16. Internet Subscription Expenses
2. Training Expenses	17. SE-ICT Equipment
3. Office Supplies Expenses	18. SE- Office Equipment
4. Fuel, Oil, and Lubricant	19. SE-Furniture and Fixtures
5. Other Supplies and Materials	20. SE-Machinery and Equipment
6. Telephone Expenses - Mobile	21. Taxes, Duties and Licenses
7. Legal Services	22. Representation Expenses
8. Other General Services	23. Consultancy Services
9. Other Professional Services	24. Major Event and Convention Expenses
10. Rent/ Lease Expenses	
11. Printing and Publication Expenses	
12. Advertising, Promotional, & Marketing Expenses	
13. Other MOOE	
14. Telephone Expenses-Landline	
15. Subscription Expense	