



Finance Group Manual

POLICIES, PROCEDURES
AND GUIDELINES

SUBIC BAY
METROPOLITAN
AUTHORITY



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I. Foreword

This Finance Group Manual is initiated by the Office of the Deputy Administrator for Finance to compile the policies, procedures and guidelines of the Office of the Deputy Administrator for Finance, Accounting Department, Financial Planning and Budget Department, and Treasury Department.

II. How to Use this Manual

The main objective of this manual is to be an electronic reference/guide to all the departments and offices of SBMA (Subic Bay Metropolitan Authority).

This is also a means to check if the policies, procedures and guidelines are up to date or there is a need of an amendment to address the concerns of the agency and its stakeholders and it jive with the current situation.

Likewise, this manual is also posted and can be downloaded in the official website of SBMA at www.mysubicbay.com.ph under the Office of the Deputy Administrator for Finance.

A. FINANCE GROUP DEPARTMENTS

1. OFFICE OF THE DEPUTY ADMINISTRATOR FOR FINANCE

The Office of the Deputy Administrator for Finance is the backbone of the Subic Bay Metropolitan Authority which aimed to have a continued financial stability, and is the forefront in providing reliable financial reports and records, giving sound financial advice, and delivering world class financial services without sacrificing customer satisfaction.

OUR FUNCTIONS AND CORE SERVICES

- To have a systematic and standard budget preparation, budget preparation, administration and control processes for agency-wide operational cost effectivity and provident expenditure
- To develop effective operational methods for increased productivity of revenue centers
- To execute the procedure for more effective and efficient corporate revenue receiving and disbursing system, cashiering, collection services and management of investment of excess funds
- To establish system and procedures in financial planning and control
- To come up with a timely and accurate transactions in accordance with the pertinent Budgeting, Accounting, and Auditing Rules and Regulations
- To adhere and comply with all existing COA Rules and Regulations

2. ACCOUNTING DEPARTMENT

The Accounting Department generates timely, meaningful, and accurate financial reports in accordance with International Financial Reporting Standards; maintains the integrity of financial records; ensures propriety of claims for payment; processes valid claims expeditiously; and maximizes SBMA revenues through an effective billing system.

OUR FUNCTIONS AND CORE SERVICES

Billings

- Bills all Locators and Housing Residents for rental and utility charges
- Records all billings in the Journal of Accounts Receivable

Payables & Payments

- Processes the payment of fully documented billings and claims from suppliers of goods and services, maintenance contractors, customers, and employee's cash advance for local travel; and ensures liquidation thereof
- Processes for the payment of consultancy fees and employee's cash advance for foreign travel, and initiates action for the pre-audit of the cash advance and its liquidation thereof

Payroll

- Processes the payment of compensation of regular and contractual employees, monetization of leave credits, and final pay
- Records all accrued expenses and corresponding payments /disbursements made by the Treasury Department in the Journal of Accounts Payable

Collections And Deposits

- Reports of collections and deposits received from the Treasury Department on a daily basis for recording in the Journal of Collections and Deposits
- Financial Statements And Reports Preparation
- Summarizes all accounting transactions recorded in all Journals

Prepares monthly financial statements and reports

- Summarizes all accounting transactions recorded in all Journals
- Prepares monthly financial statements and reports

3. FINANCIAL PLANNING AND BUDGET DEPARTMENT

The Financial Planning and Budget Department (FPBD) is committed to provide quality service to the SBMA departments and offices through the implementation of the Quality Management System and the continuous improvement of services for an efficient and effective quality work.

OUR FUNCTIONS AND CORE SERVICES

Financial Planning Division

- Formulates financial policies for approval by the SBMA Board of Directors
- Prepares monthly Profit and Loss Report for submission to the Chairman and the Administrator
- Prepares monthly reports of the Finance Group for the Board of Directors (BOD), i.e., Comprehensive Report per Strategic Business Unit (SBU) and Earnings before Interest, Taxes and Depreciation and Amortization (EBITDA) Report per department/office
- Provides financial analyses with respect to investment proposals, investment returns, and the like

Budget Division

- Formulates guidelines for the preparation of the Annual Corporate Operating Budget (COB) and Budget Estimates for the succeeding years
- Provides technical assistance to departments/offices in the preparation of their respective budgets
- Validates and consolidates budget submissions of departments/offices for presentation to and approval of the SBMA Board
- Establishes an effective system of budget management, monitoring, and control
- Analyzes actual performance against operating budget and prepares a monthly utilization report per department/office
- Provides budget certification on availability of budgetary funds and recommends necessary realignment for approval by the management/Board of Directors

4. TREASURY DEPARTMENT

The Treasury Department is tasked to provide efficient and effective cashiering and disbursing services, and ensure availability of funds through successful collection of accounts receivables, adequate control and effective management of cash resources.

OUR FUNCTIONS AND CORE SERVICES

Collection

- Collect all kinds of revenues, security deposits, advances, cash/performance/bid bonds and other financial instruments
- Issue official receipts

Deposit

- Deposit daily collections

Disbursement

- Issue payments for obligations to suppliers and service providers, employees, institutions, utility companies, mandatory contributions, and government agencies.

B. FINANCE GROUP MISSION AND VISION

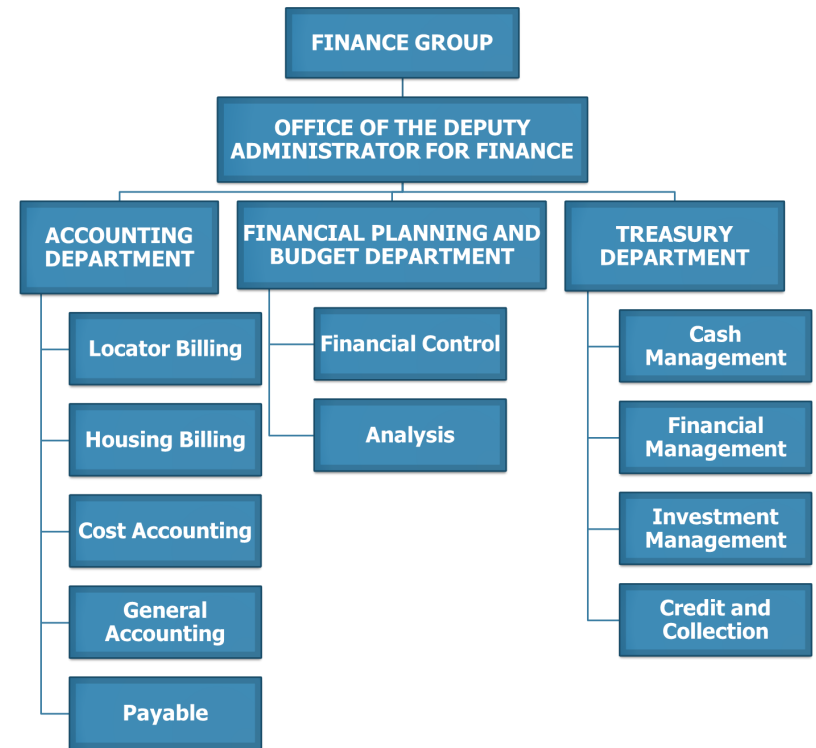
MISSION

Generate and maintain reliable financial reports and records, give sound financial advice, deliver world-class financial services, and manage financial needs and resources effectively.

VISION

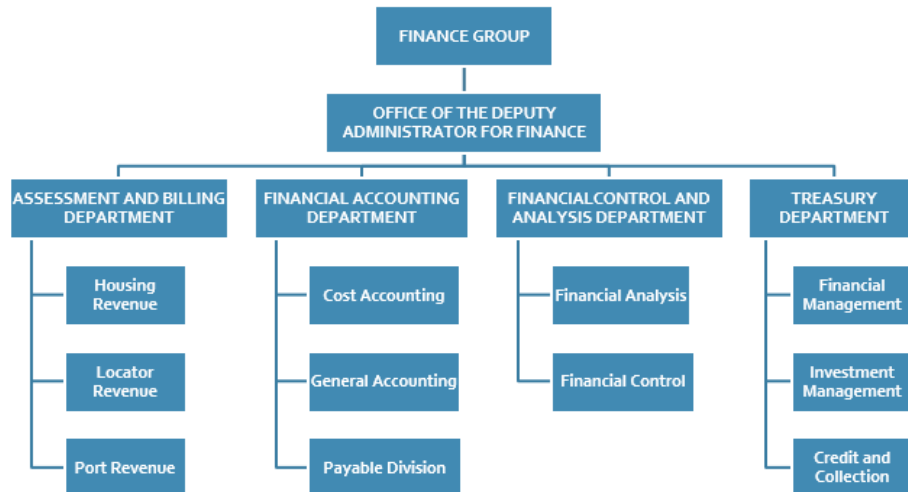
The Finance group shall be the backbone of SBMA's continued financial stability and shall be at the forefront in providing total customer satisfaction.

C. ORGANIZATIONAL STRUCTURE (CURRENT)



CONTACT INFORMATION

C. ORGANIZATIONAL STRUCTURE (RE-STRUCTURING PLAN)



1. Office of the Deputy Administrator for Finance

Tel. No.: +6347.252.4168/ 4167

2. Accounting Department

Tel. No.: +6347.252.4419 / 4045

Fax No.: +6347.252.4858

Billing Division I - Locators and Investors - 252.4654

Billing Division II- Housing - 252.4016

Cost Accounting Division - 252.4606 / 4017

General Accounting Division - 252.4364

Payable Division - 252.4018

3. Financial Control And Analysis Department

Tel. No.: +6347.252.4459 / 4099

Fax No.: +6347.252.4612

Financial Control Division - 252.4512

Analysis Division - 252.4605

4. Treasury Department

Tel. No.: +6347.252.4050

Fax No.: +6347.252.4051

Cash Management Division - 252.4010 / 4595 / 4344

Financial Management Division - 252.4131 / 4376

Investment Management Division - 252.4128 / 4374

A. OFFICE OF THE DEPUTY ADMINISTRATOR FOR FINANCE

1. POLICY ON PETTY CASH FUND

Chapter 1. Introduction

1.1. Petty Cash Fund

In reference to the audit report and recommendation of Internal Audit Services (IAS) dated March 30, 2015, this "Policy on Petty Cash Fund (PCF)" is written to set up the policy and standardize the process flow of PCF from its issuance, disbursement and replenishment, as well as the accountability of PCF Custodian.

1.2. Background

A Petty Cash Fund (PCF) is cash advanced to a designated special disbursing officer to be used for small purchases of goods and services needed in the daily operations of an organization. It is established in order to have an immediate source of cash for the payments of petty operating expenses such as small amounts for the purchases of goods, services and other commodities.

The PCF is maintained under the imprest system in accordance with the New Government Accounting System (NGAS). It is handled by a designated PCF Custodian where cash on hand plus unreplenished expenses should be equal to the approved amount of fund. As such, all replenishments are directly charged to the expense account.

In SBMA, the PCF was initially established at the Treasury Department in the amount of P100,000 and the Head Cashier was designated as PCF Custodian for small purchases for goods and services worth up to P2,500 per transaction to facilitate immediate purchase of office supplies, and/or repairs of motor vehicle or equipment but not for regular inventory items for stocking. In the exigency of the service, other departments and offices were authorized in various amounts to maintain separate PCFs.

COA Circular No. 2012-001 dated June 14, 2012 provides among others the following

General guidelines and documentary requirements common to all cash advances:

Authority of the accountable officer issued by the Head of Agency should indicate the maximum accountability and purpose of cash advance. Transfer of cash advances from one accountable officer to another shall not be allowed. This policy is also stated under Sec. 174.d, Volume I of the Government Accounting and Auditing Manual (GAAM).

Chapter 2. Terminologies and Definitions

Abstract of Canvass – is the summary of the three (3) canvasses made from suppliers.

Budget Utilization Request (BUR) – is a form accomplished by end user department signed by the requesting Department/Office Head for submission and for certification of FCAD Office Head.

Certificate of Acceptance – this form is from PPMD and is used for purchases of supplies and materials. It should be signed by the purchaser and stamped "Received" by PPMD representative upon presentation of the Official Receipt/ Collection Receipt, Invoice and purchased item for inspection.

Certificate of Completion and Acceptance – this form is signed and inspected by the concerned department/ end-user upon completion of the services.

Collection Receipt – is issued for the payment of goods or products purchased from supplier.

Government Accounting and Auditing Manual (GAAM) – updates and consolidates the rules and regulations on financial management and operation of national government agencies, LGUs, and government-owned or controlled corporations and their subsidiaries.

Inventory Custodian Slip (ICS) – the claimant should attach an ICS of semi-expendable items that is certified by PPMD.

Invoice – may include: Sales Invoice, Whole Sales Invoice, Billing Invoice, etc. (should be BIR compliant/ATP)

New Government Accounting System (NGAS) – is the basic policies and procedures; the new coding system; and financial statements; and illustrative accounting entries to be adopted by all national government agencies effective January 1, 2002.

Official Receipt (OR) – is issued in payment for services rendered.

Property Acknowledgment Receipt (PAR) – is attach for Capital expenditures (Capex) items.

Petty Cash Fund (PCF) – is establish for small purchases for goods and services for extra ordinary items in case of emergency. It should not be used to purchase regular inventory/items for stock.

Petty Cash Voucher (PCV) – is a form issued by the PCF Custodian and shall be approved by authorized officials and signed by the payee to acknowledge the amount received.

Stock Availability Inquiry (SAI) – is a form which should be routed to PPMD to certify inclusion of requested item(s) in APP and confirmation of stock status whether Not in stock (NIS) or Not Carried (NC) and to FPBD to ensure budget funds availability.

Statement of Urgency – is a certification issued by Head of Office/Department in lieu of Canvass and Abstract of Canvass while on official travel.

Transcript of Stenographic Notes (TSN) – is a note issued by a Stenographer from hearing.

Waste Materials Report - this is a report signed by the PPMD inspector and witness to the disposition of parts replaced.

Chapter 3. Guidelines in Granting and Utilizing of Petty Cash Fund

- a. Only permanent employees designated as “Special Disbursing Officer” by the SBMA Chairman and Administrator and covered with fidelity bond issued by the Bureau of Treasury shall be granted PCF.
- b. The PCF shall be used only for the specific legal purpose (See 1.2) for which it was granted.
- c. The cash advance for PCF shall be sufficient for the petty operating expenses of the department. Note: Financial Planning & Budget Department (FPBD) shall ensure that the quantity of item (supplies) for procurement is not for more than one (1) month.
- d. The PCF Custodian may request for replenishment of the said fund when the disbursement reach at least 75% or as the need requires.
- e. Transfer of PCF from one (1) Custodian to another shall not be allowed.
- f. No PCF Custodian shall be allowed to handle two (2) PCF at the same time.
- g. The PCF shall not be used for payment of regular expenses such as rentals, subscriptions, light, water and the like.
- h. PCF shall be used exclusively by the concerned SBU, office or department only. Other SBU's, offices or departments without PCF shall request petty cash from the PCF Custodian at the Treasury Department.

Chapter 4. Threshold/Limit in the Availment of Cash Advance from Petty Cash Fund

- a. For replacement of spare parts
 - Other Department's PCF - P5,000
 - Treasury Department's PCF – P10,000
- b. For Office Supplies
 - Other Department's PCF/Treasury Department's PCF – P2,500
 - For Services/Repairs and Maintenance of Equipment
 - Other Department's PCF - P5,000
- c. For Services/Repairs and Maintenance of Equipment
 - Other Department's PCF - P5,000
 - Treasury Department's PCF – P10,000
- d. Food Provision for Meetings
 - Other Department's PCF/Treasury Department's PCF– P5,000
- e. Other Materials
 - Other Department's PCF—P5,000
 - Treasury Departments PCF—P10,000
- f. Payment for Toll Fees/ Parking Fees
 - Other Department/Treasury—Metro Manila Area
 - ⇒ Class 1—For 4 wheels like car—P500
 - ⇒ Class 2—For 6 wheeler or 7ft like coaster—P1,000
 - ⇒ Class 3—For heavy Equipment like 10 wheeler—P1,500
 - Other Department/Treasury—Outside Metro Manila Area
 - ⇒ Class 1—For 4 wheels like car—P800
 - ⇒ Class 2—For 6 wheeler or 7ft like coaster—P1,500
 - ⇒ Class 3—For heavy Equipment like 10 wheeler—P2,500

Maintenance and Transportation Department shall provide the cash advance for the Toll Fees and Parking Fees of the Drivers they provide on official travels. On the other hand, drivers of other department may request cash advance from the Treasury Department for the same pur-

Chapter 4. Documentary Requirements for Submission to Accounting Department for Initial Set-Up of Petty Cash Fund

- a. Memo request to set up PCF addressed to Office of the Deputy Administrator (ODA) for Finance for review/validation and endorsement for approval by the Administrator. The memo should cite the purpose/justification for setting the PCF, the desired amount and who would be the custodian.
- b. Office Order designating the personnel as Special Disbursing Officer to handle the Petty Cash Fund and stating the purpose and amount of the Fund.
- c. Budget Utilization Request (BUR)
- d. Copy of Bureau of Treasury (BTr) Confirmation letter of fidelity bond of PCF Custodian or memo from Treasury Department to Accounting Department together with proof of payment certifying that the fidelity bond was processed and paid to the BTr.

Chapter 5. Issuance of Petty Cash to Requesting Offices/Department

- a. Cash may be drawn from PCF to cover cash advance or reimbursement of the requesting offices/department.
- b. The Petty Cash Voucher (PCV) Form (Annex A) shall be submitted to the PCF Custodian to support the request for petty cash.
- c. The PCV shall be accomplished by filling up the following information:
 - Name of Payee
 - Date
 - Department/ Division
 - Particulars and the purpose of the request
 - Amount/ Total amount
 - Authorization portion (to be signed by the Authorized Payee of the department)
 - Certified portion (to be signed by the Head of the Office/ Department)
 - Approved portion (to be signed by the Deputy Administrator of the requesting office/ department or higher authority or designated officer in-charge during his/ her absence)

For Cash Advance - the payee should fill up the authorization portion, which indicate that the Treasurer is being authorized to deduct the full amount of the cash advance from the salary of the payee, if the payee failed to comply the following:

- ◇ Submission within five (5) working days the necessary supporting documents for purpose of liquidation.
- ◇ To return within 24 hours to the PCF Custodian the amount received if unable to spend for the indicated purpose or the nature of expenses is different from the requested purposes.

◇ For reimbursement - the payee should fill up completely the PCV, except the Authorization portion, and attach all supporting documents.

- d. For the amount to be drawn/ on invoicing requirement, SBMA is not subject to Value Added Tax (VAT). However, the agency is required to deduct from procurement of supplies, materials, services, etc. the appropriate Expanded Withholding Tax (EWT) in accordance with Bureau of Internal Revenue (BIR) Revenue Regulation No. 17-2003, Section 3-M, par 1 & 4.

Paragraph 1 (Tax rate)

All goods, e.g. supplies & materials	- 1%
Services	- 2%

Paragraph 4 (Supplier of goods/ services)

The term "local/resident supplier of goods" pertains to a supplier from whom any of the top ten thousand (10,000) private corporations, as determined by the Commissioner, regularly makes its purchases of goods. As a general rule, this term does not include a casual purchase of goods, that is, purchases made from non-regular suppliers and oftentimes involving single purchases. However, a single purchase which involves ten thousand pesos (P10,000.00) or more shall be subject to a withholding tax. The term "regular suppliers" refers to suppliers who are engaged in business or exercise of profession/calling with whom the taxpayer-buyer has transacted at least six (6) transactions, regardless of amount per transaction, either in the previous year or current. The same rules apply to local/resident supplier of services other than those covered by separate rates of withholding tax.

Non-compliance with invoicing requirement, the related tax consequences will be shouldered personally by the payee.

In case the supplier or service provider is Subic Bay Freeport (SBF) Enterprise with CRTE, the company is not subject to EWT.

Sample of Invoice:

For Non-VAT Supplier – Annex B
For VAT Supplier – Annex C
For Supplier of Services – Annex D

Chapter 6. Documentary Requirements for the Grant of Cash Advance from Petty Cash Fund

PCV Number shall be assigned by the PCF Custodian upon liquidation of petty cash advances or payment of the reimbursement with applicable supporting documents depending on the transaction type as follows:

1. Purchases for replacement of spare parts
 - PCV with complete data and signature
 - Stock Availability Inquiry (SAI)
 - Technical Evaluation
 - Work authorization and related documents
 - Vehicle/ Equipment Maintenance Service Request Form
 - Original copy of Canvass from at least three (3) suppliers
 - Summary/ Abstract of Canvass
2. Purchases of Office Supplies and Other Materials
 - PCV with complete data and signature
 - Stock Availability Inquiry (SAI)
 - Approved Purchase Request (PR) with certificate of Emergency Purchase
 - Original copy of Canvass from at least three (3) suppliers
 - Summary/ Abstract of Canvass
3. Services/ Repairs & Maintenance of Equipment
 - PCV with complete data and signature
 - Stock Availability Inquiry (SAI)
 - Approved PR with certificate of Emergency Purchase
 - Technical Evaluation
 - Vehicle/ Equipment Maintenance Service Request Form
 - Original copy of Canvass from at least three (3) suppliers
 - Summary/ Abstract of Canvass
4. Purchases of Food Provision for Meetings
 - PCV with complete data and signature
 - Letter of Invitation/ Notice of meetings
 - Original copy of Canvass from at least three (3) suppliers
 - Summary/ Abstract of Canvass
5. Payment for Toll Fees
 - PCV with complete data and signature

Chapter 7. Determination of Non-Stocks Availability Inquiry from PPMD

- a. Stock Availability Inquiry (SAI) Form (Annex E)
- b. Inclusion to Annual Procurement Plan (APP)
- c. Project Procurement Management Plan (PPMP) Amendment

Chapter 8. Documentary Requirements in the Liquidation of Cash Advanced thru PCF

1. Purchases for replacement of spare parts
 - Original copy of Collection Receipt
 - Invoice
 - Waste Material Report
 - Certificate of Inspection and Acceptance
2. Purchases of Office Supplies and Other Materials
 - Original copy of Collection Receipt
 - Invoice
 - Certificate of Inspection and Acceptance
3. Services/Repairs and Maintenance of Equipment
 - a. Services Only
 - Original Copy of Official Receipt
 - Certificate of Completion
 - b. Services and Materials
 - Original copy of Official Receipt
 - Service Invoice
 - Waste Material Report
 - Certificate of Completion
4. Purchase of Food Provision for Meetings
 - Original copy of Official receipt/ Collection Receipt
 - Attendance Sheet
 - Certification that the meeting was held and citing the Purpose
5. Payment for Toll Fees/ Parking Fees
 - Original copy of Toll Tickets/Official Receipt
 - Certificate of Travel complete
 - Certificate of Appearance
 - Approved trip tickets

Chapter 9. Documentary Requirements for the Payment for the Payment of Reimbursements

All of the cited documentary requirements for the grant of Cash Advance from PCF and liquidation of Cash Advances from PCF are the same document that needs to be submitted to the PCF custodian for reimbursement of expenses.

- a. Stenographic Services – Official Receipt is needed
- b. Expenses incurred during Official Travel related to repairs and maintenance of vehicles, Statement of Urgency (Annex F) in lieu of canvass and abstract of canvass.

Chapter 10. Petty Cash Fund Replenishment

As a general rule, PCF is replenished when the cash disbursed is already 75% of the total fund, or as the need requires. Replenishment may also be made considering the time involved in validation/ review and routing of PCF for replenishment.

The PCF Custodian shall prepare the following documents covering payments made based on Petty Cash Voucher (PCV) to facilitate replenishment of the fund by the Petty Cash Fund Custodian to the Accounting Department for processing of the PCF's replenishment:

- Report of Disbursements (Annex G)
- Summary of Petty Cash Vouchers (Annex H)
- Petty Cash Fund Replenishment Report (Annex I)
- Budget Utilization Request (BUR) (Annex J)
- Complete documentation for each PCF Disbursement

The package shall be submitted to FPBD for processing of the BUR, standard time = 2 working days upon receipt of complete documents. Afterwards, the package will be processed by Accounting Department for APV preparation, standard time = 3 working days. Finally, the replenishment package shall be forwarded to Treasury Department for preparation of Payment Voucher and check, standard time = 2 working days.

Unliquidated Petty Cash Advances shall be controlled separately by the PCF Custodian to ensure proper and timely liquidation.

Chapter 11. Management of Petty Cash Fund

1. The PCF Custodian shall maintain and record the setting up of the fund in the PCF Cashbook.
2. Each paid reimbursement and liquidated Petty Cash Advances shall be issued Petty Cash Voucher Number.
Note: Official Receipt/ Collection Receipt and Invoices shall be stamped "PAID".
3. The PCF Custodian shall record all issued PCV No. chronologically in the PCF Cashbook.

Chapter 12. Petty Cash Fund Audit

Cash advance system has been recognized by the Commission on Audit (COA) as a facilitative tool in the financial operations of the government since there are certain instances when it may be very difficult, impractical or impossible to make payments by check.

The use of PCF for petty operating expense falls under the category of regular cash advance as set forth by COA to defray small payments which cannot be paid conveniently by check or are required to be paid immediately which includes:

Procurement of (a) non-common supplies and (b) urgently needed office supplies or stocking items in cases when the same are not available at the time in the inventory of the PPMD; and

The Internal Audit Services (IAS) shall include in their Annual Audit Plan the conduct of spot audit or review i.e., quarterly, semi-annual or annual of the PCF usage and ensure that the documentary requirements are met.

Chapter 13. Process Flow of Petty Cash Fund Cycle

Treasury Department – per Document Code: SBMAPM-QP-05-22-R (Annex K)
FPBD – Petty Cash Disbursement Process (Annex L)

2. BILLING ASSESSMENT

Chapter 1. Introduction

Section I. The Billing Assessment

Pursuant to Commission on Audit (COA) findings and recommendations, SBMA AOM No. 2006-05 dated February 2, 2006, all Revenue Generating Departments (RGD) must have a Centralized pre-numbered Billing Assessment for all fees and penalties being remitted to Treasury Department for payment.

Internal Audit Services' (IAS) recommendation is to come up with a uniform guidelines and procedures on the administration of Billing Assessment to all RGDs.

All Manual Billing Assessment Form (MBAF) issued by RGD must be pre-numbered and considered as Accountable Forms. It must be printed in three (3) copies (White/Original – Department's copy, Blue/Duplicate – Treasury's copy and Green/Triplicate - Customer's copy) from National Printing Office (NPO) or any NPO accredited printing office.

Section II. Objective

This Manual Billing Assessment Procedures and Guidelines aimed to come up and standardize procedures and to serve as guide to all RGDs.

Section III. Background

In SBMA, twenty six (26) departments and offices (see Annex A) are identified as RGD that issue Billing Assessment Form (BAF) for services rendered and for permits and penalties being charged by the agency which are inherent to their mandate or function. The form being used is either a Manual BAF or the Billing Assessment generated through the Integrated Financial Management System (IFMS) Account Receivable Module after encoding the revenue details. The MBAF is an accountable form without money value, book bound and printed/pre-numbered form.

Pre-numbered MBAFs issued and used only for services directly paid to Treasury Department Cashiers. It is separate and distinct from those billing invoice issued by Accounting Department to customers.

Law Enforcement Department (LED), Intelligence Office (IO), Land and Asset Management Department (LAMMD) citation tickets will be considered as accountable form and included in the monthly report to COA and copy furnish the Treasury Department.

Law Enforcement Department (LED), Intelligence Office (IO), Land and Asset Management Department (LAMMD) citation tickets will be considered as accountable form and included in the monthly report to COA and copy furnish the Treasury Department.

Facilities that issue tickets in lieu of official receipts are exempted from issuing pre-numbered MBAFs except for Subic Bay International Airport (SBIA) issued terminal fee tickets which must be accompanied by a passenger manifest for the verification on total number of tickets issued.

Note: For every official receipt issued, there should be a corresponding billing assessment attached.

All RGDs are required to submit an initial Accountable Form Report to COA and Treasury Department for all Billing Assessments, Traffic Citation Ticket (TCT) on hand upon receipt of newly printed form from NPO or any NPO accredited printing office for purposes of monitoring and control of the beginning and ending balances of the said form.

Section IV. Terminologies and Definition

Billing Assessment Form (BAF) – is a pre-numbered book bound accountable form or IFMS Generated. Billing Assessment can be:

Manual Billing Assessment Form (MBAF)

Assessment Form (AF) - used only by the Construction and Maintenance

General Assessment Form (GAF) - Billing Assessment Form for general purposes used by various departments.

Traffic Citation Ticket (TCT) - Billing Assessment used only by the LED

Traffic Citation Ticket (TCT) – Billing Assessment used only by the LED

General Assessment Form (GAF) – Billing Assessment Form for general purposes used by various departments.

Traffic Citation Ticket (TCT) – Billing Assessment used only by the LED

Integrated Financial Management System (IFMS) generated Billing Assessment Form

Integrated Financial Management System (IFMS) generated Billing Assessment Form.

Bureau of Internal Revenue (BIR)

Commission on Audit (COA)

Department Accountable Forms Custodian (DAFC) – is a plantilla personnel designated by the department who oversee the issuance of the accountable forms to DAFA.

Department Billing Officer (DBO) – is a plantilla personnel designated by the department to issue BAF.

Government Accounting and Auditing Manual (GAAM)

Intelligence Office (IO)

Land and Asset Management Department (LAMMD)

Law Enforcement Department (LED)

Construction and Maintenance Department (CMD)

Monthly Report of Accountability For Accountable Forms (MRAAF)

Official Receipt (OR)– issued by Treasury Department Cashiers upon payment

Procurement and Property Management Department (PPMD)

Revenue Generating Departments (RGD)

Subic Bay International Airport (SBIA)

Chapter 2

Section V. BILLING ASSESSMENT FORM (BAF)

The BAF is a document for cash transaction that indicates the amount due from the customer. The amount due for services rendered or issuance of permit/clearance should be paid immediately and issued a corresponding Official Receipt (OR).

BAFs issued are recorded in the books when collected, whereas, the Billing Invoices issued by the Accounting Department are outright recorded in the books though not yet collected to establish accounts receivable.

There are RGD's that issue IFMS generated Billing Assessment (see Annex B). It is generated by encoding data using the IFMS Accounts Receivable Module, and printed for issuance to the customers. When the IFMS is down, the manual form is used as back-up. The IFMS Accounts Receivable Module is able to collect data and generate related reports.

The Bureau of Internal Revenue (BIR) Revenue Memorandum Circular No. 44-2013 dated June 11, 2013 stated that, "After August 30, 2013, all principal and supplementary receipts/invoices printed prior to January 18, 2013 shall no longer be valid." In compliance therewith, the SBMA secured authority from BIR to procure the new forms of OR and BAFs. Beginning August 31, 2013, concerned SBMA Departments have been using new Manual Billing Assessment Form (MBAF) with titles as follows:

- General Assessment Form (GAF) see Annex C – general purpose form used by various departments
- Traffic Citation Ticket (TCT) see Annex D – used only by the Law Enforcement Dept.
- Assessment Form (AF) see Annex E – used only by the Construction and Maintenance Department (CMD)
- Traffic Citation Ticket (TCT) see Annex D – used only by the Law Enforcement Dept.
- Assessment Form (AF) see Annex E – used only by the Construction and Maintenance Department (CMD)

Section VI. ACCOUNTABILITY OF FORMS

The Procurement and Property Management Department (PPMD) will be in charge in the procurement, issuance (monitoring/control/inventory) of manual GAFs, TCTs and AFs.

Inspection of accountable forms received from the National Printing Office (NPO) excerpt from GAAM vol. 1, Section 94, upon receipt of accountable forms from the NPO, the Collecting Officer/Treasurer/Property Officer shall examine carefully each book or pad. He shall segregate any book or pad found to contain defects, such as incorrect series of numbers, or missing leaves or sheets, etc. and submit it to the COA Unit Auditor together with a statement of the defects or deficiencies noted (see Annex F).

The COA Unit Auditor shall examine the book or pad. If he finds the defects are due to error in binding or printing, he shall make proper notations on the book or on the defective sheet itself. He shall also immediately furnish the Collecting Officer/Treasurer/Property Officer concerned with two copies of the certificate covering his action. The Collecting Officer/Treasurer/Property Officer shall use this certificate in support of a credit to his account for the missing or defective forms noted by the Unit Auditor. The agency, through the Unit Auditor, shall send two copies of the certificate to the Head of the National Printing Office. These copies shall contain the initials or numbers that are written on the respective card covers of the defective books or pads, or on a slip covering such information for the guidance of the National Printing Office in locating employees responsible for the error or deficiency.

Issuance of the MBAF shall be accomplished by the Issuance Section of the PPMD. A permanent record book (see Annex G) for each type of MBAF as required under GAAM vol. 1, Section 95 must be maintained by PPMD with the following column headings:

1. Booklet Control Number;
2. Quantity of Booklet Issued;
3. Serial Number;
4. Name (in print) of accountable officer to whom issued;
5. Signature of the accountable officer;
6. Date received by the accountable officer; and
7. Issued by

Periodically, a reconciliation of the MBAFs must be made between the recorded stocks on hand as against the physical inventory. Any missing/lost forms must be reported accordingly.

The MBAFs are considered accountable forms, thus, PPMD shall submit a Monthly Report of Accountability of Accountable Form (MRAAF) to COA and copy furnish IAS.

Section VII. DEPARTMENT ACCOUNTABLE OFFICER

The RGD will designate the:

A. Department Accountable Form Custodian (DAFC) who shall be authorized to handle requisition/withdrawal of MBAFs from PPMD, and shall be responsible for:

1. Preparation of Stock Availability Inquiry (SAI) see Annex H, to determine the availability of the requested MBAF from the Records Section of PPMD then proceed to Issuance Section.
2. Issuance Section shall generate the Requisition and Issue Slip (RIS) see Annex I, for signature of the Manager of the requesting department.
3. The safekeeping, controlling and monitoring in the issuance of the accountable forms is assigned to the Department Billing Officer (DBO) in cases where the DAFC is not the DBO.
4. The DAFC must maintain a permanent log book (same as Annex G), control of blank forms and issuance of billing assessment form to the DBO.
5. Submission of Monthly Report of Accountability for Accountable Forms (MRAAF) see Annex J to COA and copy furnished to Internal Audit Service including the missing/lost form.
6. Consolidate and submit a Summary of unpaid BAFs to Accounting Department within four (4) calendar days after the end of the month for billing purposes.

B. Department Billing Officer (DBO) is responsible for:

1. The issuance of the BAF to the customers.
2. Maintain a permanent logbook (see Annex K) to record the transaction with the following headings:
 - Billing Assessment Number
 - Date issued
 - Payor/Name of Customer
 - Nature of Collection (Revenue Source)
 - Amount Billed
 - Date Paid
 - Official Receipt Number
3. Issue a certified photocopy of the original MBAF in case the customer lost the issued Treasurer's and/or Customer's copy of the MBAF. Said copy shall be presented to the Cashier upon payment.
4. At the end of the month,
 - a. DBO shall present the MBAF booklet to DAFC for notation as to the following month's beginning balances. Submit a summary of unpaid MBAFs with photocopy of supporting documents.

- c. Submit list of cancelled MBAFs and attach the 3 copies of the MBAF.

The BAF will be the reference document in the issuance of official receipt by the Treasury Department.

The RGD with connectivity to the IFMS MUST fully maximize the utilization of the Billing Assessment/Account Receivable Module in assessing their revenues. Payments made on the issued BAF can be verified thru the IFMS A/R Module Report wherein revenue collections can be viewed/printed and reconciled with the Treasury Department's Collection Reports as follows:

Schedule of Receipts by Profit Center (Summary of Collection per Revenue Source)

Detailed Transaction Report by Profit Center (Detailed information per date, OR No., Payor, Control No. and nature of payment whether Dollar/Peso)

Detailed Transaction Report on Billing Assessment

RGD's without connectivity shall request from the Management Information System (MIS) Office for the installation of said module.

Section VIII. UNPAID MBAF CONVERTED TO BILLING INVOICE

All Unpaid MBAF shall be submitted to Accounting Department within four (4) calendar days after the end of the month for generation of Billing Invoice.

For Seaport transaction, issued unpaid MBAF will be superseded by IFMS generated billing assessment and will be forwarded to Accounting Department within four (4) calendar days after the end of the month for generation of Billing Invoice.

Section IX. CANCELLED MBAF

All copies of the cancelled MBAF (White- Original copy, Blue- Treasury's copy and Green- Customer's copy) must be noted as cancelled with the reason for cancellation and countersigned by the Supervisor. It must be reported and the Treasury and Customer's copies must be attached to the Monthly Report of Accountability for Accountable Forms (MRAAF) for submission to COA and copy furnished the IAS. The original copy shall be retained in the booklet.

Section X. MISSING/LOST MBAF

The DAFC shall make a report of all missing/lost MBAF to the COA to be attached to MRAAF and copy furnished the IAS within thirty (30) days.

Per Section 100 of GAAM vol. 1, states: Immediate issuance of notice of loss of accountable forms. Any loss of accountable forms in the custody of collecting and property officers shall immediately be reported by the accountable officers concerned to the head of the agency. The latter shall at once issue a circular or notice of such loss for the information and guidance of all

The circular or notice of loss shall be issued only for accountable forms generally used in all government agencies. In case of accountable forms specially designed for the exclusive use of an agency, the circularization shall be confined within the agency.

The head of agency is not precluded from undertaking other measures which may prevent the fraudulent use of the lost accountable forms, like the publication of such loss in newspapers of general circulation.

Compliance with the foregoing provisions shall be one of the requirements in the request for relief from accountability for the loss of accountable forms (COA Cir. 84-233, Aug. 2, 1984).

Chapter 3

Section XI. DEPARTMENT RESPONSIBILITY

At the end of the month:

PPMD shall submit MRAAF to COA copy furnished to IAS.

All RGD's DAFC shall submit MRAAAF to COA, copy furnished to IAS and endorse unpaid MBAFs to Accounting Department within four (4) calendar days after the end of the month.

Accounting Department shall generate Billing Invoice for all unpaid MBAF received from all DAFC.

Section XII. AUDIT OF ACCOUNTABLE FORMS

The Internal Audit Service (IAS) shall incorporate in their Annual Audit Plan the review of all MRAAF from the RGDs and may conduct spot audit to ensure proper control of the said accountable forms.

Section XIII. Annexes

Annex A - List of (26) Revenue Generating Departments (RGDs)

Annex B - Billing Assessment (IFMS generated)

Annex C - General Assessment Form (GAF)

Annex D - Traffic Citation Ticket (TCT)

Annex E - Assessment Form (AF)

Annex F-1 – Letter to COA for the Defects or Discrepancies noted

Annex F-2 – Statement of the Defects or Discrepancies noted to NPO

Annex G - MBAF Control Log Book

Annex H – Stock Availability Inquiry (SAI)

Annex I – Requisition and Issue Slip (RIS)

3. GUIDELINES IN USE OF AUTHORITY FOR CHARGEABLE EXPENSES (ACE)

This refers to the Authority for Chargeable Expenses (ACE) Form, General Quality Form FCA-ACE-21, which is being used to avail the services for food and beverages, hotel/lodging and facilities of Business Establishments within the Subic Bay Freeport (SBF) as well as in Olongapo City on credit basis. The said form must be properly accomplished, signed by all signatories and submitted to the Office of the Deputy Administrator for Finance (ODAF) for approval three (3) days prior to the activity to give ample time to submit the ACE to concerned establishments as their assurance for smooth and timely processing of their billings.

It has been observed that many of the ACE forms are submitted after the event, hence, payment of billings gets delayed to the dismay of the establishments. This resulted to few establishments who are willing to provide services on a credit basis to the agency.

Accordingly, all requesting/ hosting departments/ offices are enjoined to submit to this office three (3) days before the event the ACE package, composed of the following documents:

- a. Accomplished ACE form
- b. Notice of the Meeting or Letter of Request for Hosting Meal/ Lodging Accommodation during Events
- c. Canvass/ Quotation from three (3) Establishments
- d. Abstract of Canvass

Upon completion of the meeting or event, the requesting/ hosting departments/ offices are advised to immediately submit to the Accounting Department the above ACE package, with the following supporting documents:

- a. Attendance Sheet during meetings or certification of the conduct or holding of the event.
- b. Billing Invoice/ Statement of Account
- c. Guest Folio signed by the occupant (For lodging/ accommodation)

In the event of late submission, the ACE package together with the above supporting documents must be accompanied with a memo citing the reason/ justification for late submission duly approved by the Chairman & Administrator.

We earnestly hope for your cooperation and support in gaining SBMA's credit worthiness and to prove strong financial capability thru prompt payment of our obligation.

4. POLICY ON PAYMENT UNDER PROTEST

I. POLICY STATEMENT

The Subic Bay Metropolitan Authority (SBMA) was established as the sole regulatory authority overall economic activities in the Subic Bay Freeport Zone (SBFZ) entitling it to charge or impose administrative, regulatory and service fees, rates, charges and penalties, among others.

II. RATIONALE

The Subic Bay Metropolitan Authority (SBMA) encounters protests that usually stem from the Billing Invoices issued by the Accounting Department or the Billing Assessments issued by various Revenue-Generating Departments/Offices, which are being contested by the customers, locators or residents. In order to comply with SBMA policies and to avoid imposition of penalties for late payment and/or the suspension of their privileges, payment is tendered but the Payor informs the Agency that "the payment is made under protest".

III. PURPOSE AND OBJECTIVES

1. To provide fair and expeditious resolution of dispute regarding Payment Under Protest filed by the client;
2. To ensure uniformity and consistency in filing and accepting Payment Under Protest;
3. To come up with the guidelines and procedures in handling Payment Under Protest.

IV. SCOPE AND LIMITATION

Payment under protest shall be allowed only on the following instances:

1. Request for clarification with the Accounting Department and/or Revenue-Generating Departments/Offices regarding the billing invoices/assessments which shall be replied within forty-five (45) working days upon receipt by SBMA of the company's written protest;
2. Clients who intend to avail of legal remedies in clarifying the propriety or legality of his/her company's billing invoices/assessments; and
3. Billing invoices/assessments that are the subject or in connection with the case filed before a tribunal, quasi-judicial or judicial body by the client.

V. DEFINITIONS

SBMA - shall refer to the Subic Bay Metropolitan Authority.

End-User Department – the SBMA Accounting Department and/or Revenue-Generating Departments/Offices where the billing invoices or billing assessments originated.

Clients - shall refer to the Customer, Locator or Resident of SBMA who has monetary obligation/s with the latter.

Billing Invoices / Billing Assessments - shall refer to the documents issued by SBMA summarizing the amount due and payable to SBMA by the client.

Contested Billings – Billing invoices/assessments issued by SBMA to the client for payment under which the latter is seeking or will seek clarification or is subject of an on-going case before a tribunal, quasi-judicial or judicial body.

Payment Under Protest (PUP) – amount of money paid by client on the contested billing invoices / assessments:

1. Pending issuance of SBMA's letter of clarification
2. Pending its availment of other remedies allowed by law in connection with the contested billing invoices / assessments within One Hundred Eighty (180) calendar days from receipt of the of the filing of the letter of protest; or
3. Is subject of an on-going case before a tribunal, quasi-judicial or judicial body.

Letter of Protest - a written protest stating in full details the reason why it is being paid under protest and that he/she, while paying the monetary obligation, is reserving the right to object to the billing invoice / assessment of the same.

Settled Claim - claims can be determined or readily determinable from vouchers, invoices and such other papers within reach of accounting officers. It may also mean that the claim no longer presents a justiciable clarification as to SBMA.

Office of the Deputy Administrator for Finance (ODAF) – office which will handle and monitor the Payment under Protest referred to the concerned end-user department.

VI. GUIDELINES AND PROCEDURES

6.1. The Letter of Protest shall be entertained only when the client first pays its billed/assessed monetary obligation. The SBMA Official Receipts shall be stamped with "Paid Under Protest" and a notice from the Treasury Department shall be given, stating that the client must file a Letter of Protest with the ODAF within five (5) working days from the date of payment. Otherwise, for failure to file a Letter of Protest within the said period SBMA shall consider the billing/assessment as settled claim and the Payment Under Protest (PUP) shall be cancelled.

6.1.1. Upon receipt of the written protest, the ODAF, within five (5) working days, shall:

- a. Record the details of the protest and issue an acknowledgement letter to the client, informing them that the protest shall be referred to the end-user department for appropriate action.
- b. Endorse the written protest and advise the identified end-user department to respond to the client not later than thirty (30) calendar days providing explanation and/or basis of the billings made.

Note: In case the client failed to signify protest at the time of payment, the Official Receipt shall no longer be stamped "Paid Under Protest". Instead, the client may submit a written protest to ODAF.

6.2 In case the protest seeks clarification on the disputed billing invoice/assessment issued to the client, the end-user department shall answer the letter of protest within thirty (30) calendar days from receipt of the said protest from ODAF.

In case there is a need for further action from the end-user department such as but not limited to reconciliation of documents with billing invoices/assessment, the end-user department shall inform the client to submit, within five (5) working days, to them additional documents for proper validation. Upon receipt of all necessary documents for reconciliation, the end-user department shall have additional thirty (30) calendar days to issue a final letter of clarification to the client.

The letter of clarification issued by the end-user department to the client shall be copy furnished to the ODAF.

6.3 In case the protest is a question on the propriety or legality of the billed/assessed monetary obligation, once the ODAF receives the letter of protest, the SBMA shall inform in writing that the client has one hundred eighty (180) calendar days from payment to avail of other remedies allowed by law. For the meantime, the SBMA shall recognize the protest for a period of one hundred eighty (180) calendar days from payment.

In case the client avails other remedies before the expiration of the one hundred eight (180) calendar days, the client must submit again a Letter of Protest with the ODAF stating therein the remedy it availed and attaching thereon documents relative thereto.

6.4 In case the Letter of Protest is filed in relation to a case pending before a tribunal, quasi-judicial or judicial body, the Payment Under Protest shall be recognized by SBMA during the pendency of the case until such time that the case has become final and executory.

6.5 ODAF shall control and monitor all payments received under protest in the Cumulative Summary of Payment Under Protest Report. The ODAF shall provide the total amount of payments under protest to Treasury Department in order to include said amount as funds held in trust in the Daily Status of Bank Deposits.

6.6 In the event that the protest is declared by SBMA or by this policy as settled claim (e.g. the client failed to file the necessary letter of protest within the prescribed period or avail other remedies allowed by law or the end-user has clarified the billing invoice/assessment is in order), the payment made shall be applied, with finality, in the client's monetary obligation. The ODAF, within ten (10) working days from receipt of the end-user department's letter reply, shall inform the client that the payment made under protest shall be applied in its monetary obligation without prejudice of the client in availing other legal remedies allowed by law.

6.7 In the event that the protest is finally clarified/settled in favor of the client, the ODAF within ten (10) working days from receipt of the end-user department's letter reply, shall inform the client that the payment made under protest may be refunded, interest-free. The client, however, must submit a written request for refund to the ODAF within ten (10) calendar days from client's receipt of said ODAF's letter. Without said request, SBMA shall apply the amount paid, interest-free, as payment credit against the client's existing or future monetary obligation.

CONFIDENTIALITY

Any information acquired or held in the course of this policy shall be treated with utmost confidentiality.

SEPARABILITY CLAUSE

Should any provision of this Policy or any part thereof be declared invalid, the other provisions, insofar as they are separable from the invalid ones, shall remain in full force and effect.

REPEALING CLAUSE

All policies, resolutions, orders, issuances, rules and regulations or parts thereof inconsistent with this Policy are hereby repealed or modified accordingly.

AMENDMENTS

Any revision to the Policy shall be subject to SBMA Board Approval.

EFFECTIVITY

This will be effective immediately upon approval of the SBMA Board of Directors.

B. ACCOUNTING DEPARTMENT

3. POLICY ON AND OPERATING GUIDELINES IN HANDLING UNIDENTIFIED COLLECTIONS

BACKGROUND:

The Subic Bay Metropolitan Authority (SBMA) accepts payments for lease rental, port fees, regulatory fees, permits, and other services from Locators and Residents through telegraphic transfer and direct deposits to SBMA Bank accounts that are directly credited to the said accounts. The depository banks provide the Treasury Department with the corresponding credit advice (Annex A) and/or the deposit slip (Annex B). Said telegraphic transfers and direct deposits are then issued official receipts (OR) thereby being recorded in the books.

While SBMA have requested the depository banks to require the details as to Payor/ Customer name and billing invoice/ assessment number being paid, there are many instances that the deposits do not have clear identification, hence cannot be issued with the corresponding ORs. Pending the Treasury Department's identification and information with regards to the payor, the nature and for what the payment was made for, these payments made by the Locators and Residents through telegraphic transfers and direct deposits to SBMA's bank accounts are treated as unidentified collections.

Unidentified collections are not issued with official receipt and thus, are not recorded in the SBMA books. Accordingly, these unidentified collections are reflected as reconciling items between the Cash balance per SBMA books and the Cash balance per Bank statement until such time when these collections are identified and the appropriate official receipts have been issued by the Treasury Department to concern payor.

In the 2014 Annual Audit Report, the Commission on Audit (COA) issued an Audit Observation Memorandum (AOM) concerning Unidentified Collection. The COA gave the recommendation of recording the Unidentified Collection at the period when the collection was actually received and not to wait until the time when the official receipt was issued. Therefore, the policy for the recording of the Unidentified Collections is hereby proposed as follows:

1. Unidentified collections as of December 31 of each year shall be recorded by the Accounting Department in the SBMA books under a suspense liability account in the same period when the collection was actually received. The entry shall be as follows:

Cash in Bank	xxx
Unidentified Collection	xxx

2. At the beginning of the following year, the entry made to record the unidentified collection shall be reversed to close the suspense account that was established just for the purpose of recording the actual collection for the particular year. The entry will be as follows:

Unidentified Collection	xxx
Cash in Bank	xxx

3. An aging of said collection shall be made at the beginning of each year. All Unidentified Collections aged 12 months and above shall be treated as Income and recorded through Journal Entry Vouchers (JEV) as follows:

Cash in Bank	xxx
Prior Year's Income	xxx

4. A record/ inventory of all Unidentified Collections that were adjusted against Prior Year's Income shall be maintained by the Treasury Department for proper identification in case of subsequent claim by a Locator or Resident.
5. When after the recording of 12 months aged Unidentified Collections as Prior Year's Income and a Locator or Resident subsequently claims payment and presents valid deposit slips as proof of payment for their accounts, the Treasury Department shall validate the payor's claim against their records.
6. When found to be valid, a memorandum to the Accounting Department shall be prepared by the Treasury Department for the reversal of the entry that was previously made for the reason that the particular Unidentified Collection was identified. The entry shall be as follows:

Prior Year's Income	xxx
Cash in Bank	xxx

7. Accordingly, the Official Receipt shall be issued by the Treasury Department to the payor for the payment being claimed with the following entry:

Cash in Bank	xxx
Accounts Receivable/ Income	xxx

SALARY DEDUCTION OF PERSONAL CHARGES

SBMA ensures to pay the communications and power charges on due dates to avoid for late payment. These charges, however include amounts in excess of the privilege being provided to SBMA employees which should be for their personal account.

On the other hand, there are some services such as Housing Maintenance and Repairs, Medical Services and other special services rendered by SBMA on personal account of employees.

The existing practice is that said charges are being billed by Accounting Department and then paid by the employees to the Treasury Department. However, it was found that some employees.

The existing practice is that said personal charges are being billed by Accounting and then paid by the employees to the Treasury Department. However, it was found that some employees have not paid their bills on due dates and these add up to SBMA's Past Due Receivable Accounts, which is the subject of Audit Observation Memorandum (AOM) No. 2012-002(2011) of the Commission on Audit (COA) as this is equivalent to granting cash advances on top of the privileges.

In compliance to said AOM and in view of the cash constraint of the Agency as well as with the increasing receivables (Due from SBMA Officials and Employees), the following procedure shall be implemented:

1. The Land and Asset Management Department (LAMD) shall issue billing assessment to the concerned officials/employees for power consumptions in excess of the prescribed P5,000 per month.
2. For telephone and mobile charges in excess of the prescribed allowable limit provided under the telephone and mobile spending guidelines, the Transportation & Communications Department (TCD) shall issue billing assessment to the concerned officials/employees.
3. The departments providing other services for personal accounts shall issue billing assessment to the concerned employees.
4. The prescribed due date of the billing assessments shall be on the 27th day of the month in order to give concerned billing departments time to process the endorsement of unpaid assessments.
5. All unpaid billing assessments shall be endorsed to the Accounting Department on or before the 2nd day of the following month to effect the salary deduction in full or to the extent allowable leaving the mandatory P3,000 net pay of the employee.
6. With regards to the unpaid balances on power consumption, the Accounting Department shall initiate the deduction immediately in the coming month's payroll.

In this regard, all concerned departments are hereby authorized to incorporate the above guidelines/procedures to effect the automatic salary deductions in order to recapture said cash advances.

4. POLICY IN SETTING UP OF ALLOWANCE FOR DOUBTFUL ACCOUNTS

RATIONALE

This proposed policy on Allowance for Doubtful Account is based on the Statement of Financial Accounting Standard (SFAS) No. 3 which states that "receivable balances should be valued at their face amounts minus, if appropriate, allowance set up for doubtful accounts and for any anticipated adjustments which, in the normal course of events, will reduce the amount of receivable from the debtors to estimated realizable values".

OBJECTIVES

1. To set up a policy in determining accounts to be included in the allowance for doubtful accounts as well as policy in handling them.
2. To properly present the realizable value of accounts receivable in the financial statements.

SCOPE AND LIMITATION

This Policy shall cover customers with past due accounts.

PROPOSED RATES

Age of Accounts Receivable	Percentage of Allowance
1-30 days	0%
31-60 days	5%
61-90 days	10%
91-120 days	15%
121-150 days	20%
151-180 days	30%
181 days to 1 year	40%
Over 1 year to 2 years	50%
Over 2 years to 3 years	65%
Over 3 years to 4 years	80%
Over 5 years	100%

WHEN TO PROVIDE

Allowance based on the foregoing policy will be set up on a monthly basis

EFFECTIVITY DATE

May 22, 2014

C. FINANCIAL PLANNING AND BUDGET DEPARTMENT

1. GUIDELINES ON FOOD PROVISION DURING VARIOUS COMMITTEE MEETINGS

RATIONALE

These proposed guidelines on food provision during committee meetings are being established to authorize the meal charges that cannot be avoided during various committee meetings.

OBJECTIVES

1. To standardize the allowable amount of food provision
2. To set guidelines in charging meals to SBMA account

SCOPE AND LIMITATION

Meals may be charged in case of attendance to the following committees of SBMA but not to exceed the maximum number of meetings per year.

1. Accounts Evaluation Committee – 100 times a year
2. Anniversary Committee – 24 times a year
3. Bids and Awards Committee (BAC) for Goods and Services – 100 times a year
4. Bids and Awards Committee (BAC) for Infrastructure – 50 times a year
5. Bids and Awards Committee (BAC) for Consultancy – 50 times a year
6. Capital Expenditure Committee (CAPEX) – 24 times a year
7. Change Management Team (CMT) – 36 times a year
8. Committee on Decorum and Investigation (CODI) – 24 times a year
9. Council of Coordinators for Human Resource Related Matters (CCHRRM) – 24 times a year
10. Cruise Ship Committee – 100 times a year
11. Disciplinary Action Committee (DAC) – 24 times a year
12. Enterprise Resource Planning System (ERPS) Committee – 24 times a year
13. Freedom of Information Central Appeals and Review Committee – 24 times a year
14. Gender and Development (GAD) Committee -24 times a year

15. Housing Committee- 24 times a year
16. Incident Management Team – (IMT) – 24 times a year
17. Inter-color Tournament & Mini Olympics Committee – 24 times a year
18. Labor Management Council (LMC) – 24 times a year
19. Management Committee (MANCOM) – 24 times a year
20. Outsourcing Committee – 36 times a year
21. Performance Management Group – 36 times a year
22. Personnel Development Committee – 24 times a year
23. Programs on Awards and Incentives for Excellence (PRAISE) Committee – 12 times a year
24. Records Management Improvement Committee – 24 times a year
25. Solid waste Management Committee – 12 times a year
26. Southeast Asian (SEA) Games Committee – 36 times a year
27. SBMA Disaster Risk Reduction and Management Committee (SDRRMC) – 24 times a year
28. SBMA Project Management Office –NGDC – 3 – 24 times a year
29. Year End Thanksgiving Committee – 24 times a year

In case of additional Committee, a maximum of 24 meetings per year will be allowed subject to the submission of Office Order creating the new committee.

In case a Committee exceeds the maximum number of prescribed meetings per year, an approval from the Chairman and Administrator is required for meals to be charged during the excess meeting(s).

ALLOWABLE AMOUNT OF FOOD PROVISION

Snack	am	-	P	125.00
Lunch/dinner		-		250.00
Snack	pm	-		125.00

Allowable food provision in case of three-hour meeting:

No. of Hours of Meeting	Start of Meeting	End of Meeting	Allowed Meal	Maximum Amount
3 hours	8:00 AM	11:00 AM	snack	125.00
3 hours	9:00 AM	12:00 AM	snack	125.00
3 hours	10:00 AM	13:00 AM	lunch	250.00
3 hours	11:00 AM	14:00 PM	lunch	250.00
3 hours	12:00 PM	15:00 PM	lunch	250.00
3 hours	13:00 PM	16:00 PM	snack	125.00
3 hours	14:00 PM	17:00 PM	snack	125.00
3 hours	15:00 PM	18:00 PM	snack	125.00
3 hours	16:00 PM	19:00 PM	snack	125.00
3 hours	17:00 PM	20:00 PM	dinner	250.00

Allowable food provision in case of four-hour meeting:

No. of Hours of Meeting	Start of Meeting	End of Meeting	Allowed Meal	Maximum Amount
4 hours	8:00 AM	12:00PM	snack	125.00
4 hours	9:00 AM	13:00 PM	lunch	250.00
4 hours	10:00 AM	14:00 PM	lunch	250.00
4 hours	11:00 AM	15:00 PM	lunch	250.00
4 hours	12:00 NN	16:00 PM	lunch	250.00
4 hours	13:00 PM	17:00 PM	snack	125.00
4 hours	14:00 PM	18:00 PM	snack	125.00
4 hours	15:00 PM	19:00 PM	snack	125.00
4 hours	16:00 PM	20:00 PM	dinner	250.00
4 hours	13:00 PM	21:00 PM	dinner	250.00

Allowable food provision in case of six-hour meeting:

No. of Hours of Meeting	Start of Meeting	End of Meeting	Allowed Meal	Maximum Amount
6 hours	8:00 AM	14:00 PM	snack and lunch	375.00
6 hours	9:00 AM	15:00 PM	lunch	250.00
6 hours	10:00 AM	16:00 PM	lunch and snack	375.00
6 hours	11:00 AM	17:00 PM	lunch and snack	375.00
6 hours	12:00 NN	18:00 PM	lunch and snack	375.00
6 hours	13:00 PM	19:00 PM	snack	125.00
6 hours	14:00 PM	20:00 PM	snack and dinner	375.00
6 hours	15:00 PM	21:00 PM	snack and dinner	375.00

Allowable food provision in case of six-hour meeting:

No. of Hours of Meeting	Start of Meeting	End of Meeting	Allowed Meal	Maximum Amount
6 hours	8:00 AM	14:00 PM	snack and lunch	375.00
6 hours	9:00 AM	15:00 PM	lunch	250.00
6 hours	10:00 AM	16:00 PM	lunch and snack	375.00
6 hours	11:00 AM	17:00 PM	lunch and snack	375.00
6 hours	12:00 NN	18:00 PM	lunch and snack	375.00
6 hours	13:00 PM	19:00 PM	snack	125.00
6 hours	14:00 PM	20:00 PM	snack and dinner	375.00
6 hours	15:00 PM	21:00 PM	snack and dinner	375.00

Allowable food provision in case of seven-hour meeting:

No. of Hours of Meeting	Start of Meeting	End of Meeting	Allowed Meal	Maximum Amount
7 hours	8:00 AM	15:00 PM	snack and lunch	375.00
7 hours	9:00 AM	16:00 PM	lunch and snack	375.00
7 hours	10:00 AM	17:00 PM	lunch and snack	375.00
7 hours	11:00 AM	18:00 PM	lunch and snack	375.00
7 hours	12:00 NN	19:00 PM	lunch and snack	375.00
7 hours	13:00 PM	20:00 PM	snack and dinner	375.00
7 hours	14:00 PM	21:00 PM	snack and dinner	375.00

Allowable food provision in case of eight-hour meeting:

No. of Hours of Meeting	Start of Meeting	End of Meeting	Allowed Meal	Maximum Amount
8 hours	8:00 AM	16:00 PM	snack, lunch and snack	500.00
8 hours	9:00 AM	17:00 PM	lunch and snack	375.00
8 hours	10:00 AM	18:00 PM	lunch and snack	375.00
8 hours	11:00 AM	19:00 PM	lunch and snack	375.00
8 hours	12:00 NN	20:00 PM	lunch and snack	375.00
8 hours	13:00 PM	21:00 PM	snack and dinner	375.00

Allowable food provision in case of nine-hour meeting:

No. of Hours of Meeting	Start of Meeting	End of Meeting	Allowed Meal	Maximum Amount
9 hours	8:00 AM	17:00 PM	snack, lunch and snack	500.00
9 hours	9:00 AM	18:00 PM	lunch and snack	375.00
9 hours	10:00 AM	19:00 PM	lunch and snack	375.00
9 hours	11:00 AM	20:00 PM	lunch and snack	375.00
9 hours	12:00 NN	21:00 PM	lunch and snack	375.00

In no case shall the total food provision exceed P500.00 per day per person. Every two years, this policy will be reviewed to determine reasonableness of rates and new rates will be recommended if existing rates are no longer reasonable.

DOCUMENTARY REQUIREMENTS IN CASE OF NORMAL PROCUREMENT PROCESS

1. Purchase Request
2. Philgeps on Request in case of procurement of P50,000.00 and above
3. Canvasses
4. Abstract of Canvass
5. Minutes of Negotiation
6. Purchase Evaluation
7. Philgeps on Award in case of procurement of P50,000.00 and above
8. Notice of Award
9. Notice to Proceed
10. Purchase Order or Contract
11. Budget Utilization Request (BUR)
12. Attendance - number of attendance should at least be equal to the number of packs ordered
13. Copy of invitation for a meeting. Invitation can be done through email or memorandum.
14. Minutes of Meeting
15. Certificate of Completion from end-user (for completion of delivery of order from supplier)
16. Transmittal Letter of Procurement and Property Management Department (PPMD) to Commission on Audit (COA)
17. Billing Statement

DOCUMENTARY REQUIREMENTS IN CASE OF AUTHORITY FOR CHARGEABLE EXPENSES (ACE) (allowed only for amount below P50,000.00)

1. Duly approved ACE Form with BUR
2. Copy of invitation for a meeting. Invitation can be done through email or memorandum
3. Three (3) Canvasses
4. Abstract of Canvass
5. Minutes of meeting
6. Attendance Sheet - number of attendees should at least be equal to the number of packs ordered
7. Certificate of Completion from end-user (for completion of delivery of order from supplier)
8. Billing Statement

DOCUMENTARY REQUIREMENTS IN CASE OF REIMBURSEMENT (allowed only for amount below P50,000.00) Note: Because all meetings are planned or scheduled ahead of time, this option is applicable only on unforeseen/unplanned/immediate in nature.

1. BUR
2. Copy of invitation for a meeting. Invitation can be done through email or memorandum
3. Three (3) Canvasses
4. Abstract of Canvass
5. Approval of SBMA Administrator on urgency of meeting
6. Minutes of meeting
7. Attendance Sheet - number of attendees should at least be equal to the number of packs ordered
8. Certificate of Completion from end-user (for completion of delivery of order from supplier)
9. Official Receipt under the name of SBMA or personnel requesting reimbursement

2. GUIDELINES ON EXPENSES

RATIONALE

This guideline is created primarily to enlighten SBMA employees, Members of the Board and stakeholders of SBMA of various expenses classification as well as the basic requirements and limitations of each expense for proper recording and easy processing of payment in case of availment.

OBJECTIVES

1. To set up guidelines that will allow familiarization of various expense accounts by employees, Members of the Board and stakeholders of SBMA.
2. To summarize all the requirements and limitation of each expense for easy processing of payment and proper recording purposes.

There are Four Major Classifications of Expenses

A. Personal Services (PS)

Refers to salaries, wages, other compensation (e.g., allowances of permanent, temporary, contractual and casual employees of the SBMA) and personnel benefits costs shall include salary increases, step increment, incentive and service fees, commutation of vacation and sick leaves, retirement and life insurance premiums, compensation insurance premiums, health insurance premiums, HDMF contributions, hospitalization and medical benefits, scholarship and educational benefits, all kinds of allowances, whether commutable or reimbursable, in cash or in kind, and other personnel benefits and privileges authorized by law, including the payment of retirement gratuities, separation pay and terminal leave benefits.

B. Maintenance and Other Operating Expenses (MOOE)

All expenses of the corporation resulting from the conduct of operation other than Personal Services (PS).

C. Financial expenses (FE)

Refers to Debt Service payment of the organization such as interest expenses, commitment fees charges.

D. Capital Expenditures (CAPEX)

Refers to the infrastructure and non-infrastructure projects of the corporation such as construction of roads, ports, hospitals, irrigation facilities and other similar physical structures and facilities funded from corporate funds, borrowing or subsidy/equity from the national government. It also includes transportation equipment (motor vehicles, watercrafts and other related equipment), office equipment, furniture and fixtures, hand tools, medical equipment, security equipment, communication equipment, machineries, information technology equipment and other related equipment needed in the performance of line functions intended for administrative and support activities.

DETAILED DESCRIPTION

PERSONAL SERVICES (PS)

This classification shall include all manpower and personnel benefit costs which may include but not limited to salary, salary increases, step increment, incentive and service fees, commutation of vacation and sick leaves, retirement and life insurance premiums, compensation insurance premiums, health insurance premiums, Home Development Mutual Fund (HDMF) contributions, hospitalization and medical benefits, scholarship and educational benefits, all kinds of allowances, whether commutable or reimbursable, in cash or in kind, and other personnel benefits and privileges authorized by law, including the payment of retirement gratuities, separation pay and terminal leave benefits of employees under the following plantilla employment status as approved by the Department of Budget and Management (DBM):

- a. Permanent - issued to a person who meets all the minimum qualification requirements of the positions to which he is being appointed, including the appropriate eligibility prescribed, in accordance with the provisions of law, rules, standards promulgated in pursuance thereof.
- b. Casual - issued only for essential and necessary services where there are not enough regular staff to meet the demands of the service.
- c. Government Contractual - issued to a person who shall undertake a specific work or job for a limited period not to exceed one year. The appointing authority shall indicate the inclusive period covered by the appointment for purposes of crediting services.
- d. Co-terminus - issued to a person whose entrance and continuity in the service is based on the trust and confidence of the appointing authority or of the head of the organizational unit where assigned; or co-existent with the incumbent; or limited by the duration of the project; or co-existent with the period for which an agency or office was created.

Any addition or deletion in the foregoing employment classification will have to be approved by the DBM.

Maintenance and Other Operating Expenses (MOOE)

1. Local Travel Allowance

Budget Form -302

Officials and employees of the government may be allowed for local travel allowance or reimbursement of travelling and related expenses incurred in the course of official travel.

Executive Order (EO) 77 (s.2019) amending Executive Order 298 (S.2004), EO 248 and 248-A (S 1995) provides the following standard rates for local travel allowance with overnight stay.

Comparative Amount for Local Travel

Travel Beyond and Within 50 KM Radius

1. Transportation Expense

Particulars	EO 298	EO77
Public Utility Vehicle	/	/
Government Vehicle	X	X
Private Vehicle	Equivalent PUV Fare	Equivalent PUV Fare

Travel Beyond 50 KM Radius

2. Daily Travel Expense (DTE) without supporting invoices and Official Receipt

EO 298	EO77
Php800.00 per day	Cluster 1 = P1,500.00 per day
	Cluster 2 = P1,800.00 per day
	Cluster 3 = P2,200.00 per day

Comparative Amount for Local Travel

Travel Beyond and Within 50 KM Radius

1. Transportation Expense

Particulars	EO 298	EO77
Public Utility Vehicle	/	/
Government Vehicle	X	X
Private Vehicle	Equivalent PUV Fare	Equivalent PUV Fare

Travel Beyond 50 KM Radius

2. Daily Travel Expense (DTE) without supporting invoices and Official Receipt

EO 298	EO77
Php800.00 per day	Cluster 1 = P1,500.00 per day

Travel Beyond 50 KM Radius

2. Daily Travel Expense (DTE) without supporting invoices and Official Receipt

EO 298	EO77
Php800.00 per day	Cluster 1 = P1,500.00 per day
	Cluster 2 = P1,800.00 per day
	Cluster 3 = P2,200.00 per day

Travel Beyond 50 KM Radius

3. Application on Daily Travel Expense (DTE) Rate where travel is covered by minimum two (2) days

EXECUTIVE ORDER 298				
PARTICULARS	HOTEL/ LODGING	MEALS	INCIDENTAL	TOTAL
First Day				
Arrival not later than 12:00 noon	50%	30%	20%	100%
Arrival after than 12:00 noon	50%	10%	20%	80%
Succeeding Day	50%	30%	20%	100%
Last Day				
Departure before 12:00 noon	0%	10%	20%	30%
Departure at 12:00 noon and Later	0%	20%	20%	40%

Proposed Policy per EXECUTIVE ORDER 77

PARTICULARS	HOTEL/ LODGING	MEALS	INCIDENTAL	TOTAL
First Day				
Arrival on destination regardless of time	50%	30%	20%	100%
Succeeding Day	50%	30%	20%	100%
Last Day				
Departure on destination regardless of time	0%	30%	20%	50%

4. Application on Daily Travel Expense (DTE) Rate where travel is covered by a day

EXECUTIVE ORDER 298				
PARTICULARS	HOTEL/ LODGING	MEALS	INCIDENTAL	TOTAL
First Day				
Arrival not later than 8:00AM and Departure before 12 noon	0%	10%	20%	30%
Arrival not later than 8:00AM and Departure after 12 noon	0%	20%	20%	40%
Arrival after 8:00AM and Departure before 12 noon	0%	10%	20%	30%
Arrival after 8:00AM and Departure after 12 noon	0%	10%	20%	30%

Travel Within 50 KM Radius			
1. Daily Travel Expenses (DTE) Rate and supported with invoices and official receipts :			
Executive Order 298			
* Shall not exceed Php400.00 per day- which covers actual fare, cost of meals and incidental expenses			
Executive Order 77			
* Actual fare at prevailing rates of authorized modes of transportation; and accommodation and meals may be authorized provided it should not exceed the allocated rate provided under Section 5 (b)			

Transportation expenses such as toll fees, parking fees and public transportation fees shall be allowed in going to and from the place of official travel destination during meetings/training, on reimbursable basis, subject to presentation of Official Receipts.

Payment of claims for reimbursement of travelling and related expenses incurred in the course of official travel, which are in excess of the authorized rates, may be allowed when certified by the Chairman & Administrator as absolutely necessary in the performance of an assignment, and supported by at least three (3) canvasses prior to departure, official receipt and allotment availability.

Documentary Requirements in case of Local Travel

1. Duly Approved Authorization for Travel
2. Itinerary of Travel
3. Certificate of Appearance
4. Certificate of Travel Completed
5. Trip Ticket, in case of reimbursement of toll fees

To request for budget inclusion, Budget Form 302 shall be filled up and submitted to Human Resource Management Department (HRMD) on or before the required due date of submission of the Project Procurement Management Plan (PPMP) and may include the following:

- a. Training related – these are travel expenses related to external trainings/conferences/ seminars for a maximum of five (5) days per training/conference/seminar per employee.
- b. Operations related – these are travel expenses related to attendance of various official meetings and site visits.
- c. Teambuilding/ Cascading activity - these are travel expenses related to departmental team-building/cascading activity. Please refer to Accounting Department memo dated March 10, 2017 regarding Financial Guidelines on said activity and Human Resource Management Department memo dated February 14, 2018 on Revised Guidelines.

1. Foreign Travel Allowance

Normally, no allocation is provided per department. The FPBD shall however provide for a lump-sum allotment under the Special Operation for Additional Revenues (SOAR) Project to provide for travel expenses that are focused on generating additional revenues. The charging of expenses to SOAR shall be subject to the approval of the Chairman and Administration upon the recommendation of the Strategic Business Unit (SBU) Heads.

Computation of Foreign travel allowance is based on the Daily Subsistence Allowance (DSA) as provided under the United Nations Development Program Index which can be secured from the Department of Foreign Affairs (DFA). The DSA shall be based on the daily rates established by the International Civil Service Commission (ICSC) of the United Nations which may be accessed at www.undp.org.ph or at www.dfa.gov.ph of the Department of Foreign Affairs (DFA). The apportionment as to hotel expenses, meals and incidental expenses depends on the country of destination.

Memorandum Circular No. 35 (Clarifying and Reinforcing Existing Rules and Regulations on Foreign Travel Authorities, Travel Entitlements, and Travel Tax Exemptions, Which Require the Approval of the Office of the President) dated November 22, 2017, which provides, among others, that no official travel abroad shall be allowed unless it satisfies all of the following minimum criteria: (a) the purpose of the trip is strictly within the mandate of the requesting government official or personnel; (b) the projected expenses for the trip are not excessive; and (c) the trip is expected to bring substantial benefit to the country.

There are two steps in processing payment for foreign travel allowance:

b. Cash advance and liquidation of cash advance

- Payment initially through cash advance. The following are the documentary requirements in case of cash advance for foreign travel:

- ⇒ Invitation for the trip
- ⇒ Duly Approved Authorization for Foreign Travel
- ⇒ Itinerary of Travel
- ⇒ DSA Rate which shall be computed by the Accounting Department
- ⇒ Office Order
- ⇒ Duly Accomplished Cash Advance Form
- ⇒ Trip Ticket in case SBMA will shoulder the plane ticket

- Liquidation of cash advance. The following are the documentary requirements in case of liquidation of cash advance used for foreign travel:

- ⇒ Certificate of Appearance
- ⇒ Certificate of Travel Completed
- ⇒ Boarding Pass
- ⇒ Narrative Report on Trip Undertaken
- ⇒ Revised Itinerary of Travel, if needed

c. Reimbursement of Foreign Travel Expenses

- Memorandum requesting for reimbursement foreign travel expenses
- Invitation for the trip
- Duly Approved Authorization for Foreign Travel
- Itinerary of Travel
- DSA Rate which shall be computed by the Accounting Department
- Office Order
- Trip Ticket in case SBMA will shoulder the plane ticket
- Certificate of Appearance
- Certificate of Travel Completed
- Boarding Pass
- Narrative Report on Trip Undertaken
- Revised Itinerary of Travel, if needed

To request for budget inclusion, Budget Form 302/302A must be accomplished and submitted to the Financial Planning and Budget Department on or before the required due date of submission of the Project Procurement Management Plan (PPMP).

2. Communication Expenses

Budget Form -303

The following are the regular communication expenses of SBMA:

α. Landline/Leased lines – the Telecoms Department normally evaluates the request for additional line and its evaluation is limited only to the following technical matters:

- Digital Phone – no extension is allowed
- Analog Phone – maximum of two (2) extensions are allowed
- Availability of line circuits in the area

b. Mobile phone services – the following are the officials and employees who are qualified to utilize mobile phone for official use and the corresponding allowed spending limit per month: (effective August 2016)

Position	Spending limit
Chairman	P 20,000.00
Administrator	P 20,000.00
Senior Deputy Administrator	P 3,500.00
Deputy Administrator	P 3,500.00
Department Manager	P 2,500.00
Chief of Staff (for the Chairman and Administrator)	P 1,800.00
Division Chief	P 1,200.00
Executive Assistant (for the Chairman and Administrator)	P 800.00
Consultant (as provided in the contract)	P 800.00
Others (including Account Officers, Security escort for the Chairman/LED Desk Officer for E911, etc.)	P 500.00

Guidelines on Mobile Phone/Subscription Plan

The mobile phone/ subscription plan shall be dependent on the availability of fund allocated for the communication expenses of the requesting department. Entitlement to mobile phone shall terminate the use of existing PIN NDD-Access to limit Communication Expenses.

Request for exemption, to increase the existing subscription plan or the proposed spending limit shall be pre-approved by the Board of Directors with prior approval of the SBU Head and the Administrator, thru the DA for Finance.

Request to avail new mobile phone subscription shall be approved by the SBU Head subject to necessity and availability of fund of said department as certified by FPBD.

Mobile phone assignees are entitled to consume up to the extent of allocated spending limit for the following basic services:

- Voice Call Services
 - ⇒ Mobile to Mobile
 - ⇒ Mobile to Landline
 - ⇒ NDD access for Domestic Long Distance
- Short Message Services
 - ⇒Text to all Service Provider Networks

In the event that the assignee is separated from employment, the concerned immediate superior shall take on the responsibility of retrieving the unit and to internally redeploy the account to the person who shall assume the vacated position. This is to continue the subscription for the remainder of the contract and to avoid penalty as levied by the Service Provider. Also, PIN account of said person shall be deactivated in lieu of the mobile phone.

The following shall be considered personal and shall be billed to and paid by the assignee:

- Usage in excess of approved spending limit
- Costs incurred for Enhanced Services enjoyed exclusive of the consumable basic services.
- Costs incurred for IDD access for International Long Distance and International Roaming except when the assignee and the party/official being called is on Official foreign travel.
- Usage during prolonged leave of absence (above 10 working days). The official who authorized the leave shall notify Telecoms Department for the computation of the charges.

With regards to issuance of Billing Assessment for personal charges, the following timeline should be observed:

DATE	PARTICULARS	RESPONSIBLE DEPARTMENT
Last working day of the billing month	Issuance of Billing Assessment (BA)	Telecom
7th day (of succeeding month)	Payment due date of BA	Assignee
10th day (of succeeding month)	Provide Treasury list of unpaid BA	Telecom
15th day (of the month)	Provide <u>LandBank</u> a Letter of Authority to deduct charges from Assignee's salary	Treasury
16th day (of billing month)	Apply credit memo of salary deductions to proper billing assessment	Treasury

Reimbursement of Certified Official Usage may be allowed when the assignee certifies that the excess is for official business. Claims for reimbursement shall be accompanied with a list that accounts the name, company, contact number and official designation of the party called. The claim for reimbursement shall be endorsed by concerned Department Head for approval of their respective SBU Head, chargeable against savings from the department's operation. Approving authority is as follows:

POSITIONS	ENDORSED BY	APPROVED BY
Department Manager and Below	Deputy Administrator	SBU Head
Deputy Administrator	Senior Deputy Administrator	Administrator
Senior Deputy Administrator		Chairman and Administrator

As for the handsets, the assignee is expected to take proper care and maintenance of the unit. Repair costs of damaged handsets and sim card for defects from abuse or misuse not covered by warranty shall be shouldered by the assignee as determined by Telecom Department.

As for lost/stolen handsets, the following procedures shall be observed:

- The assignee shall notify first the Telecom Department for temporary deactivation of line.
- The assignee to prepare Incident Report to be endorsed to LED for investigation.
- Assignee to request relief of accountability to the Administrator and CEO. The Administrator and CEO shall endorse the request for relief of accountability to COA.
- As for the handsets under expired subscription of Service Provider, the assignee shall endorse the unit to Telecom Department for inspection. The latter shall turn over the non-serviceable units to Procurement and Property Management Department for proper disposal. Mobile phone is advantageous for mobility of transactions however the assignee is encouraged to maximize the use of landline and Internet services.

c. Postal/Courier Services – This account all expenses for mailing letters and documents within or outside the Subic Bay Freeport Zone. Budget allocation is usually based on trend or utilization of the budget.

d. Internet/DSL – This account includes all expenses related to our connectivity to internet. Budget allocation is usually based on recommendation of the Information Technology Department.

3. Repairs and Maintenance – Building and Facilities Budget Form -304

This account includes the cost for minor repairs only of SBMA buildings and facilities such as public buildings, housing units, roads, bridges, utility systems, seaports, wharves, parks and other public facilities.

Work programs should have the appropriate scoping/cost estimates from the Engineering or Construction and Maintenance Department.

To request for budget inclusion fill up Budget Form – 304 for project details and submit to the Office of the Deputy Administrator for PWTSG (ODA-PWTSG) for coordination with Engineering Department and Construction and Maintenance Department (CMD) for evaluation, consolidation and scheduling by year.

4. Repairs and Maintenance – Government Vehicles Budget Form -305

This account includes the cost for minor repairs only of SBMA vehicles (including watercrafts) such as services, spare parts and materials. Observe restrictions based on COA Circular 2012-003, section 4.0 (Annex C) unnecessary expenditures and section 5.0 (Annex D) as excessive expenditures.

Repair works shall be requested to the Construction and Maintenance Department for validation and endorsement for budgeting purposes. Fill up Budget Form – 305 for details and submit it to the Construction and Maintenance Department for evaluation, consolidation and scheduling by year.

5. Supplies and materials Budget Form - 307

This account includes the cost of all expendable commodities acquired or ordered for immediate use in connection with SBMA operations. This account also includes batteries and tires.

It includes also the cost of all semi-expendable items/equipment which amount is less than P15,000.00. These tangible items shall be recognized as expenses upon issue to the end-user. Please refer to Department of Budget and Management (DBM) Circular Letter 2016-7 (s. July 2016).

Fill up Budget Form – 307 for details and submit it to the Financial Planning and Budget Department for consolidation prior to sending to PPMD for evaluation and review.

6. Rents Budget Form - 308

This account includes the cost for booth/space rental, copying machine charges and rental of equipment.

Normally, the FPBD does the allocation based on the equipment/property being leased. In case there is a need for additional budget, Budget Form - 308 must be accomplished and send to FPBD.

7. Awards and Indemnities Budget Form -311

This account includes the cost for Employee of the Quarter, Employee of the Year, Loyalty Award, Model Contract of Service Personnel (Semestral award), cash gift award for retiree and other related expenses thereto. Normally, the HRMD does the allocation for this account.

Fill up Budget Form – 311 for details and submit it to the Financial Planning and Budget Department for consolidation prior to sending to PPMD for evaluation and review.

8. Power/Water Budget Form -314

This account includes the cost of water and power of all government used facilities. Utilities Department, provides for the estimated amount based on the previous year's consumption. In case there is a need for additional allocation, Budget Form - 314 must be accomplished and send to FPBD.

9. Training – Local

Budget Form -317

Human Resources Development and Training Programs should be responsive to the trainings needs of personnel and manpower requirements of the agency. It should also include human resource development and training program that will promote high morale, efficiency, integrity, responsiveness, progressiveness, courtesy, nationalism and patriotism. Training programs should be consistent with the rules and regulations issued by the CSC for the purpose.

General Provisions were based on National Budget Circular (NBC) No. 563 (S.2016), National Budget Circular (NBC) No. 442 (S. 1995) and NBC No. 486 (S. 2003).

The budget estimates shall cover the following:

- a. On-site Training. Normally, there is a lump-sum training fund under the Human Resource Management Department to cover payment of honoraria, meals and accommodation of facilitators and snacks/lunch of participants, as needed.
- b. Departmental Training Re-echo- Normally, there is a lump-sum amount being included in the budget of the Human Resource Management Department to cover snacks of participants in case of re-echo.
- c. NON- Continuing Professional Development (CPD) training/seminars/conferences shall be allowed upon approval of the Office of the Senior Deputy Administrator for Support Services provided that necessary budget realignment/ amendment/ inclusion are made.

For Continuing Professional Development (CPD) in compliance with Professional Regulations Commission (PRC) requirement for RA 1080 Eligible, there is a maximum of forty (40) hours CPD Training per person @ P2,000/day. Fill up Budget Form – 317 with the list of personnel that needs CPD credits and the schedule for attendance/availment of the training, then submit to the Human Resource Management Department for evaluation, consolidation and scheduling by year.

Membership and similar fees paid for personal or individual membership in a private organization shall be for the account of the member concerned and shall not be charged to government funds. On the other hand, institutional membership fees, i.e., agency membership may be charged to government funds.

- d. Normally, no fund is allotted for foreign training. In highly meritorious cases, the expense shall be chargeable against savings as certified by the Finance Group subject to approval of the Chairman and Administrator upon the recommendation of the SBU Heads.

10. Extra-ordinary and Miscellaneous Expenses

Budget Form -318

Extraordinary and miscellaneous expenses are for reimbursement only and shall include but not be limited to the following expenses:

- a. Meetings, seminars and conferences;
- b. Official entertainment;
- c. Public relations;
- d. Educational, athletic and cultural activities;
- e. Contributions to civic or charitable institutions;
- f. Membership in government associations;
- g. Membership in national professional organizations duly accredited by the Professional Regulations Commission;

h. Membership in the Integrated Bar of the Philippines;

- i. Subscription to professional technical journals and informative magazines, library books and materials;
- j. Office equipment and supplies;
- k. Other similar expenses not supported by the regular budget allocation.

FPBD shall provide allocation based on the General Provisions of the General Appropriations Act every year.

SBU/DEPARTMENT	per GAA (01/06/2020)		2020 REVISED PROPOSAL
	EXTRAORDINARY EXP	MISCELLANEOUS EXP	
CHAIRMAN & ADMINISTRATOR'S GROUP	108,000.00	90,000.00	198,000.00
Office of the Chairman & Head of the Agency	108,000.00	90,000.00	198,000.00
ADMINISTRATION GROUP	105,600.00	180,000.00	285,600.00
Office of the SDA for Support Services	60,000.00	90,000.00	150,000.00
Office of the DA for Administration	45,600.00	90,000.00	135,600.00
LEGAL AFFAIRS GROUP	45,600.00	90,000.00	135,600.00
Office of the DA for Legal Affairs	45,600.00	90,000.00	135,600.00
FINANCE GROUP	45,600.00	90,000.00	135,600.00
Office of the DA for Finance	45,600.00	90,000.00	135,600.00
BUSINESS & INVESTMENT GROUP	105,600.00	180,000.00	285,600.00
Office of the SDA for Business & Investment	60,000.00	90,000.00	150,000.00
Office of the DA for Business Group	45,600.00	90,000.00	135,600.00
TOURISM GROUP	-	-	-
Tourism Department	-	-	-
MUNICIPAL GROUP	45,600.00	90,000.00	135,600.00
ODA for PHSD	45,600.00	90,000.00	135,600.00
PUBLIC SERVICES GROUP	45,600.00	90,000.00	135,600.00
Office of the DA for Public Works & Technical Service	45,600.00	90,000.00	135,600.00
PORT AUTHORITY GROUP	105,600.00	180,000.00	285,600.00
Office of the SDA for Aviation and Maritime Operation	60,000.00	90,000.00	150,000.00
Office of the DA for Port Operations	45,600.00	90,000.00	135,600.00
REGULATORY GROUP	-	-	-
Office of the SDA for Regulatory Group	-	-	-
TOTAL (EME)	607,200.00	990,000.00	1,597,200.00

11. Fuel, Oil and Lubricants

Budget Form -323

Fuel allocation of the Board will be based on Executive Order No. 24 (s.2011) while fuel allocation for the management shall be based on the Board approved guidelines, Resolution No. 13-05-4766 (S.2013) as follows:

Department/Office	Fuel Allocation (Monthly)
Chairman and Administrator's Office	2,000 liters
Chief Operating officer's Office	1,000 liters
Planning and Development's Office	400 liters
Public Relations Department	500 liters
Media Production Department	300 liters
Intelligence Office	500 liters
Internal Audit Service	200 liters
Management Information Systems Office	200 liters

Board Secretariat	200 liters
Office of the SDA for Support Services	200 liters
Office of the DA for Administration	200 liters
Human Resource Management Department	200 liters
Procurement and Property Management Department	1,000 liters
Office Services Department	600 liters
Office of the DA for Legal Affairs	200 liters
Legal Department	500 liters
Labor Department	500 liters
Office of the DA for Finance	200 liters
Accounting Department	300 liters
Financial Planning and Budget Department	200 liters
Treasury Department	1,000 liters
Office of the SDA for Business and Investment	200 liters
Land and Asset Management Department	600 liters
BID for Logistics	300 liters
BID- GBID	300 liters
BID-Leisure	300 liters
BID-Manufacturing and Maritime	300 liters
BID-ICT	300 liters
Office of the DA for Tourism	200 liters
Tourism Department	1,500 liters
Office of the SDA for PWTSG	200 liters
Fire Department	2,500 liters
Law Enforcement Department	25,000 liters
Public Health Department	1,000 liters
Office of the DA for PWTSG	200 liters
Engineering Department	600 liters
Construction and Maintenance Department	25,000 liters
Office of the SDA for Port Operations	200 liters
Airport Department	1,500 liters
Airport Department (Genset)	6,000 liters/yr
Seaport Department	1,500 liters
Seaport Department (Vessel)	4,000 liters
Trade Facilitation and Compliance Department	200 liters
Office of the SDA for Regulatory	200 liters
Safety Department	200 liters
Ecology Department	1,000 liters
Telecommunication Department	800 liters
Visa and Accreditation Processing Office	200 liters
Regulatory Monitoring Unit	1,000 liters

Others not availing Transportation Allowance allocations are the following:

Department/Office	Fuel Allocation (Monthly)
Senior Deputy Administrators	400 liters
Deputy Administrators	300 liters
Department Managers	200 liters
Division Chiefs	120 liters
Pastolan Tribal Group	250 liters

The PPMD handles the allocation and issuance of the fuel/ticket based on the policy. In line with the policy, departments/offices are required to fill up the form and submit to PPMD since there are departments/offices that have fuel allocation but do not have a transportation equipment at the moment. Fill up Budget Form – 323.

12. Repairs and Maintenance of Other Equipment Budget Form -329A

This account includes the cost for minor repairs of equipment like air conditioning unit, camera, etc., such as services, spare parts and materials.

Request for repair works shall be coursed through to the appropriate Expense Account Manager (EAM) for validation and endorsement to FPBD for budgeting purposes. Fill up Budget Form -329A for details and submit it to the designated EAM for evaluation, consolidation and scheduling by year.

13. Consultancy Budget Form -329B

Professional consultancy services include contracts with individual consultant, an expert in a field of special knowledge or training who is contracted to render particular outputs or services primarily advisory in nature requiring highly specialized or technical expertise which cannot be provided by the regular staff of the agency. Such hiring creates no employer-employee relationship between the individual consultant and the agency. This may covers Office consultant and Project consultant.

Consultancy services shall be requested to the Chairman's Office. Fill up Budget Form -329B for details, indicating whether new or continuation of existing contract, and submit it to the Chairman's Office for evaluation and approval.

14. Advertising and Promotional Expenses Budget Form -329C

This account includes those expenses for advertisement. It's important to note that these must be ordinary and reasonable expenses for advertising. Some examples would be newspaper advertisements, TV and Radio ads costs (including production costs), and costs for setting up website. Expenses for promotion activities, like sponsoring local events, special events to bring people to your business, publicity costs. Costs for meals and entertainment for promotion activities.

Fill up Budget Form-329C for details and submit it to the Financial Planning and Budget Department together with the details and justification to include in the budget.

15. All Other Services Budget Form -329

This account includes expenses that are not covered by the foregoing expense accounts which may include but not limited to the following: grants, subsidies, contributions, legal services, printing expenses, pest control, maintenance services, meals, Gender and Development Expenses, manuals, memberships, expenses on special events, subscriptions, honoraria, cultural and athletic activities and others.

Section 43 (Cultural and Athletic Activities), GP of the FY 2017 GAA, which provides that an amount not exceeding PhP1,500 in a year may be used for the purchase of uniform or costume and other related expenses in the conduct of cultural and athletic activities per employee-participant.

Fill up Budget Form-329D for details and submit it to the Financial Planning and Budget Department together with the details and justification to include in the budget.

16. Contract of Services Budget Form -329E

This account includes expenses for the salaries of the Contract of Services personnel.

Fill up Budget Form-329E for details and submit it to HRMD together with the details and justification to include in the budget.

Capital Expenditures (CAPEX)

Capital Expenditures are classified into the following categories:

1. Infrastructure

- 1.1 Land and Land Improvements Outlay
- 1.2 Building and Structures Outlay

2. Equipment Outlay

3. Information Technology Equipment

The requirement for Capital Expenditures are submitted to the following Expense Account Managers for evaluation, and scheduling if necessary prior to submission to the Financial Planning and Budget Department for inclusion in the budget:

- Information Technology Related – Management Information Systems Department (MIS)
- Communication Equipment – Telecommunications Department
- Infrastructures – ODA for Public Works
- Furnitures and Fixtures – Procurement and Property Management Department
- Motor Vehicles/Heavy Equipment – Construction and Maintenance Department
- Other Equipment – MTD/Telecomm/Airport

Annually, each department is required to submit a three year plan for Capital Expenditures. Please fill up Budget Forms for Capital Expenditures and submit to the designated Expense Account Manager for evaluation and consideration within the Target Amount per year.

1. Land/Land Improvement Budget Form – 434 and 434A

The costs of rights to land ownership and the pertaining improvements to land such as filling, grading, draining, surveying and planting trees.

Fill up Budget Form – 434 and 434A for project details and submit to the Engineering Department for evaluation, consolidation and scheduling by year.

2. Building and Structures Outlay Budget Form – 435 and 435A

The cost of buildings and structures purchased or constructed and permanent improvements thereto.

Fill up Budget Form – 435 and 435A for project details and submit to the Engineering Department for evaluation, consolidation and scheduling by year.

3. Equipment Outlay Budget Form – 436 and 436A

Refers to furniture, fixture, electronics and communication equipment, medical equipment, other equipment, motor vehicles/heavy equipment, and books whose serviceable life is more than one year which adds to the assets of the SBMA.

This account applies the capitalization threshold of P15,000.00 which represents the minimum cost of an individual asset recognized as PPE on the Statement of Financial Position. Please refer to DBM Circular Letter No. 2016-7 (s. 2016).

NATIONAL GOVERNMENT FUNDED PROJECTS

In case of Government Funded Projects, SBMA shall submit to the Department of Budget and Management (DBM) proposed projects for the following year as early as the first quarter of the current year. For 2022 NG Funded Projects, deadline of submission to the DBM is May 11, 2021. Two months prior to the said date, proposed projects shall be submitted to the Financial Planning and Budget Department for proper presentation to the CAPEX Committee, Finance Committee and Board of Directors and accomplishment of necessary forms before submitting to the DBM.

All projects recommended by the DBM shall be included in the National Expenditure Program (NEP) which shall be submitted by the DBM to the House of Representatives. The approval of the budget by the House of Representatives will be done during a plenary budget hearing which shall be attended by the Chairman and Administrator.

Approved budget by the House of Representatives will be submitted to the Senate of the Philippines for another approval. The approval of the Senate will be made through a plenary hearing that shall be attended by the Chairman and Administrator.

Possible Congressional Initiative may be made during the Bi-cameral Committee Meeting. Once approved and signed by the President of the Philippines, this will be called General Appropriations Act and will be available for viewing at the DBM website.

The following are the requirements for the release of SARO for the equipment:

1. Letter request indicating the list of equipment to be purchased, cost, and purpose
2. Corporate Operating Budget which shall include items requested for NG funding
3. Annual Equipment Procurement Program in case of request for Equipment
4. Notice of Bidding
5. Project profile
6. Computation of Return on Investment (ROI) for the purchase of equipment
7. Program of Work

For the request of NCA, the following must be submitted:

1. Purchase Order
2. Notice of Award
3. Contract
4. Billing Statement
5. Billing of Work Accomplished
6. Endorsement of the Expenses Account Manager
7. Budget Utilization Request

This outlay is further broken down into categories listed below (A to E). Fill up Budget Form – 436 and 436A for details.

A. Communication Equipment

Submit accomplished forms for evaluation, consolidation and scheduling by year with the Telecommunication Department.

B. Motor Vehicles and Heavy Equipment/Watercraft

Submit accomplished forms for evaluation, consolidation and scheduling by year with the Construction and Maintenance Department (Transportation Division). Please refer to DBM-BC No. 2019-2 and BC No. 2017-1 (dtd 4/26/2017)

C. Office Furniture and Fixture

Submit accomplished forms for evaluation, consolidation and scheduling by year with the Procurement & Property Management Department.

D. Other Equipment

Submit accomplished forms for evaluation, consolidation and scheduling by year with the Construction and Maintenance Department (Maintenance Division).

E. Medical Equipment

Submit accomplished forms for evaluation, consolidation and scheduling by year with the Public Health and Safety Department (such as initial medicine kit, others).

4. IT Equipment Outlay Budget Form – 438 and 438A

Submit accomplished forms for evaluation, consolidation and scheduling by year with the Management Information Systems Department for technical evaluation and certification of its inclusion in the NCC approved ISSP.

Fill up Budget Form – 438 and 438A for details.

1. The following guidelines should be considered in the determination of equipment requirements:
2. The equipment requirements that are directly needed in the performance of line functions should be satisfied first before items intended for administrative and staff support activities are considered.
3. The repair and rehabilitation of existing equipment should be considered as an alternative to the purchase of new items. Also, requests to replace necessary unserviceable equipment should be given priority over the purchase of additional items.
4. As a general rule, replacement of motor vehicles such as medical ambulances, patrol vehicles, utility vehicles, and those which are directly related to the performance of substantive functions of the SBMA shall be given priority over additional requirement.

Submission of equipment/motor vehicle requirements should include complete specifications and justifications.

For capital outlays other than equipment, the following guidelines must be considered:

1. The completion of on-going projects should be given first priority over new requirements.
2. The major repair and rehabilitation of existing occupied buildings and structures or those that will be used in connection with the SBMA's line functions should be given priority over the construction of new ones.
3. Proposed civil works must be accompanied by cost-benefit analysis.
4. Detailed engineering and construction supervision services must be included in the estimated cost of civil works.
5. The Engineering Department will screen, approve and consolidate all civil works projects.

GUIDELINE ON BUDGET REALIGNMENT (DBM-NBC 559 dtd June 26, 2015)

1. Restricted Expenditures. The amounts programmed, particularly for, but not limited to, petroleum, oil and lubricants as well as for water, illumination and power services, telephone and other communication services, rent, repair and maintenance, retirement gratuity and terminal leave requirements shall be disbursed solely for such items of expenditures: PROVIDED, That any savings generated from these items after taking into consideration the agency's full year requirements may be realigned only in the last quarter.
2. Realignment shall be done only for emergency/extraordinary projects that may arise during the budget period.

Threshold/Approving Official (Board Certification No. 14-122,s. 2014)

1. Php 500,000 and below – SBU Head
 2. Above Php 500,000 – Chairman & Administrator
 3. Php 5M and above - Board of Directors
3. Reallocation or transfer of budgetary funds within the same expense account from one department/office to another as approved by the SBU Head upon recommendation and/or concurrence of the concerned sponsoring department/office.

Example:

Reallocation of Local Travel Budget amounting to Php 10,000

from BU (1) Administrator's Office	Local Travel	(10,000)
to BU (2) Intelligence and Investigation Office	Local Travel	10,000

Note: This is to maintain the same level of expense account in an SBU. Requested amount should not exceed the SBU Budget.

Realignment or transfer of budgetary funds from one expense account to another expense account within the BU or between BU's under the same SBU. This shall be approved by the SBU head upon concurrence of the sponsoring department/office.

Example:

Within the BU:

from Administrator's Office	Supplies and Materials account	(10,000)
to Administrator's Office	Communications account	10,000

Between BU's under the same SBU:

from Administrator's Office	Supplies and Materials account	(10,000)
to Internal Audit's Office	Communications account	10,000

Note: This is to maintain the same level of budgetary funds per SBU.

5. In case there is a need to realign budgetary funds between Expense Class (MOOE to CAPEX or vice versa), the requesting department shall seek the approval of the SBMA Board of Directors, with prior approval of their SBU Head and the Chairman & Administrator, upon recommendation of the Financial Planning and Budget Department. As this entails augmentation of the expense class, the realignment needs to be approved further by the DBM.

6. In case there is a need to realign budgetary funds from CAPEX to CAPEX, the requesting department shall fill up the Budget Realignment form and the APP Inclusion form with prior approval of their SBU Head.

Note: Maintain the same level of the item previously approved by the board, observed the quantity and the item name included therein, any changes is subject to realignment.

7. In case the budget for Key Initiatives shall be utilized for other projects, the requesting department shall seek the approval of the SBMA Board of Directors, with prior approval of their SBU Head and the Chairman and Administrator, upon the recommendation of the Financial Planning and Budget Department.

Note: FPBD must be furnished with a copy of all approved budget realignment requests as well as the approved APP Realignment Forms to facilitate smooth processing of Purchase Requests and/or Budget Utilization Request.

TREASURY DEPARTMENT

STRINGENT POLICY TO COLLECT SBMA RECEIVABLES

Board Resolution No. 17-07-0261

Background:

The Stringent Policy to Collect SBMA Receivables was approved by the SBMA Board on January 27, 2012 and was amended on June 23, 2016, May 10, 2017 and July 20, 2017.

STEP 1 (Day 1-30) Past Due:

1. On the 29th day of the month (after billing due date) when no payment is received, the account will be handled by the Credit & Collection Unit (C&C) of the Treasury Department.

Note: The Accounting Department generates billing invoices on the first 10 days of the month with due date on the 28th.

2. The Credit & Collection Unit (C&C) coordinates with the delinquent entity for the payment of the said account. This unit will issue two (2) demand letters:

i. 1st – a friendly reminder giving 10 days to settle the account

ii. 2nd – letter giving 5 days to settle the accounts with advice to refer the same to the concerned departments with the following consequences:

- a. Legal Department for appropriate legal action;
- b. Seaport Department/Trade Facilitation and Compliance Department (TFCD) for the suspension of its importation, exportation, transshipment, issuance of admission permit & other privileges;
- c. Office Services Department, for stoppage of issuance of pass & ID;
- d. Regulatory Group, for stoppage of issuance of permits, visa, & other pertinent documents;
- e. Labor Department, for non-issuance of clearance ;
- f. PPMD, to stop issuance of clearance for bringing-out of property of the delinquent entity;
- g. Land & Asset & Development Department, stoppage of issuance of clearance for consent to assignment and sublease of property;
- h. Business and Investment Departments for suspension of CRTE and/or CR.

Note: All letters will be copy furnished to the concerned Business and Investment Departments and Land & Asset Development Department.

3. The Accounting Department rejects customers with past due accounts and are requesting renewal of Certificate of Registration and Tax Exempt (CRTE)/Certificate of Registration (CR) at the Accounts Evaluation Committee (AEC) meeting.

4. In case of non-payment and no payment scheme was proposed and agreed upon, C&C refers the delinquent account to the Legal Department for the service of Notice of Default & Demand of Payment (Demand to pay only if the delinquent entity is a mere sublessee) of the past due account within the curing period of thirty (30) days.

5. C & C informs the following Departments of the fact of non-payment of the past due accounts by the delinquent entity & request to undertake appropriate actions:

- a. Seaport Department/Trade Facilitation and Compliance Department (TFCD) for the suspension of its importation, exportation, transshipment, issuance of admission permit & other privileges;
- b. Office Services Department, for stoppage of issuance of pass & ID;
- c. Regulatory Group, for stoppage of issuance of permits, visa, & other pertinent documents;
- d. Labor Department, for non-issuance of clearance ;
- e. PPMD, to stop issuance of clearance for bringing-out of property of the delinquent entity.
- f. Land & Asset & Development Department, stoppage of issuance of clearance for consent to assignment and sublease of property.
- g. Business & Investment Departments for suspension of CRTE and/or CR.

6. C & C advises the concerned companies/individuals that their account has been referred to the Legal Department for appropriate legal action and to the concerned departments to effect suspension of privileges, clearances and CRTE/CR as mentioned in our previous letter.

STEP 2 (Day 31-60) Past Due Account:

1. Legal Department shall send Notice of Default & demand of Payment (Demand to pay only if the delinquent entity is a mere sublessee) of the outstanding account within the curing period as stated in the contract, if there is any;
2. The said notice contains the corresponding consequences, in case of non-payment and failure to cure its default:
 - a. Cancellation of CRTE, if applicable & Pre-Termination of Lease Agreement.
 - b. Withdrawal of consent on sublease agreements entered by delinquent lessee.

STEP 3 (61-90) Past Due Account:

1. In case of non-payment, the Legal Department as assisted by Business Group shall recommend to the SBMA Board the cancellation of the CRTE/CR and/or Pre-Termination of the Lease Agreement (if the locator is a direct lessee) or withdrawal of consent on sublease agreements entered by delinquent lessee.
2. Upon approval by the Board the Legal Department shall endorse/advise the Treasury Department and the Finance Group for CIBI Blacklisting.
3. Legal Department shall send to the delinquent entity the Notice of Cancellation of CRTE and/or Notice of Pre-Termination of Lease Agreement (if locator is a direct lessee) or withdrawal of consent on sublease agreements entered by delinquent lessee with Demand to Vacate the Property.
4. Take-over of the property to be conducted by the Legal Department, Account Officer, LADD, LED, PPMD and Media Productions Department, if sanctioned by the Lease Agreement with delinquent locator or Main Lease Agreement covering the locator's subleased property.

Note: Other Offices concerned should be copy furnished of the Notice of Take-Over.