

Republic of the Philippines
Department of Social Welfare and Development
Batasan Pambansa Complex, Constitution Hills
Quezon City
Telephone No. 931-8101 to 07

Memorandum Circular

No. 02

Series of 2004

Subject: Guidelines on DSWD Property and Equipment Management

I. Rationale

It is a policy of the state that "all resources of the government shall be managed, expended or utilized in accordance with law or regulation, and safeguard against loss or wastage through illegal or improper disposition, with view of ensuring economy, efficiency and effectiveness in the operation of the government. The responsibility to take care that such policy is faithfully adhered to rests directly with the chief or head of the government agency concerned." (Sec. 2, P.D. 1445)

Moreover, Executive Order No. 888 Sec. 1 series of 1983 and COA Circular No. 89-296 states that the full and sole authority and responsibility for the divestment or disposal of property and other assets owned by the national, corporate and local government units including its subsidiaries, shall be lodged in the heads of the departments, bureaus and offices or governing bodies or managing heads of concerned entities particularly in the DSWD.

Thus, the need for appropriate guidelines in the area of property and equipment management and institutionalizing an internal control system has to be implemented in the Department of Social Welfare and Development (DSWD).

II. Objectives

General:

To establish an internal control system governing the receipt, maintenance, utilization and disposal of all materials, equipment and properties in the Department.

Specific:

- a. To ensure proper recording and documentation of newly acquired properties either thru purchase, donation and/or transfer from other government agencies and non-government organizations (foreign or local).
- b. To ensure that all records/books on properties and equipment is regularly and properly updated and reconciled vis-à-vis the physical count and accounting records.

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- c. To ensure proper utilization and maintenance of all materials, equipment and other properties.
- d. To ensure proper disposition of all waste materials, condemned, obsolete, no longer needed and unserviceable properties.

III. Guidelines and Procedures

The Task Force on Asset Management (TFAM)/Asset Management Division (AMD) and the Regional Administrative Division (RAD) shall be the offices responsible for safekeeping, maintenance and updating of books of all properties and issuance of materials and equipment for use of the Department.

The following committees shall assist the TFAM/AMD and RAD to facilitate proper performance of duties and functions as enumerated in this guideline:

- a. Inventory Committee
- b. Inspection Committee
- c. Monetization Committee
- d. Property Disposal and Awards Committee

The following activities shall be observed by TFAM/AMD and RAD for proper management of properties and equipment:

A. Recording

All newly acquired properties and equipment either by donation, transfer and/or purchase shall first be coordinated with the TFAM prior to issuance to end-user to facilitate proper documentation as follows:

1. Issuance of Memorandum Receipts (MR)

Under Sec. 492, GAAM Vol. I - Equipment issued by the property officer, for official use of officials and employees shall be covered by Memorandum Receipt (MR) which shall be renewed every January of the third year after issue.

- MR shall be issued only to permanent/regular employee of the Department.
- No MR shall be issued to employees under Casual, Co-terminous, Contractual and Memorandum of Agreement status. Equipment/properties to be used by these personnel shall be issued to their permanent/regular supervisor and/or co-employees in their respective office.
- No officer/employee is authorized to sign for and in behalf of another's accountability.
- No equipment or properties shall be issued to Consultant/s.

2. Assignment of Property Number

3. Placement of Property Sticker/tag

4. Placement of Security Sticker/tag for ITC equipment

5. Recording in the Asset/Property Registry

There must be a separate book for equipment and properties acquired for specific use each and every special project.

All newly acquired equipment/properties and semi expendable items issued to end-user without obtaining (issuance) of proper accountability forms (MRs/IRP) from the TFAM shall be the primary responsibility and accountability of the issuing officer and/or procurement officer.

The same principle shall be followed in case of donated properties and equipment issued by the soliciting office without the issuance of accountability forms through TFAM/AMD and RAD. The responsibility and accountability shall be lodged to the Director, Officer-In-Charge or Supervisor of the soliciting office.

B. Physical Movement/Transfer

Issuance of Gate Pass

All equipment and/or properties to be used outside from its original station shall get a clearance from TFAM/AMD or RAD prior to its movement and utilization.

1. Equipment and properties for use outside the DSWD Office shall be accompanied by a pre-numbered **Gate Pass** in triplicate copies accomplished by the requesting party (a regular/permanent employee/official/OIC directly in-charge of the activity/program) stating therein the destination, purpose, the description of the equipment/properties and date to be returned. The gate pass shall be duly approved by the TFAM/AMD or RAD.
2. Original copy of the gate pass shall be retained with the Security Guard and shall be returned to TFAM/AMD and RAD office upon the return of the said equipment/properties to its original station.
3. Personal properties and equipment brought by officials and employees inside the DSWD building for official and personal use shall be properly recorded in the guard's log book and shall be covered by an approved gate pass upon pull-out.

Issuance of Borrower's Slip General Use Equipment

The TFAM/RAD and RAD shall maintain in its custody all other equipments for use in general activities. These equipment shall be available for loan to all offices of the DSWD unless assigned permanently to a specific office.

1. There shall be a **borrower's slip** to be issued to the borrower for the loaned equipment and/or properties.
2. The borrower's slip shall establish accountability and liability over the equipment borrowed.
3. Accountability and liability over the loaned equipment shall only cease upon the turn over/return of the loaned equipment to the TFAM/AMD/RAD.

Transfer of Equipment to other DSWD Offices, NGOs, LGUs and other Government Agencies

For purposes of transfer of equipment from one DSWD office to another DSWD office, NGOs, LGUs and other Government Agencies, the following procedures shall be followed:

1. All equipment and/or properties to be transferred permanently from one DSWD office to another DSWD office and other government agencies/offices shall be accompanied by a corresponding **Invoice Receipts for Property/ies (IRPs)** duly approved by the Secretary or his/her representative.
2. To ensure that the transaction is recorded both in the books of the receiving agency and DSWD, the receiving agency, through the transferring DSWD office/unit, shall furnish the TFAM/AMD or RAD of a certified photocopy of the **Journal Entry Voucher (JEV)** not later than thirty (30) days upon receipt of the equipment and/or properties transferred. It is the responsibility of the transferring unit/office to secure the corresponding JEV from the transferee.
3. All DSWD equipment/properties to be transferred to Non-Government Organization/s (NGO) and Peoples Organization/s (PO) shall be supported by a Deed of Donation and Acceptance.

Issuance of equipment/properties from DSWD-CO to a Special Project in FOs

To facilitate transfer of properties/equipment for distribution to regional offices for specific use of a special project, the Memorandum Receipt shall be first issued to the Director/Officer-In-Charge of the project at the DSWD Central Office. The MR will be cancelled only upon the submission to TFAM/AMD or RAD of a duly executed IRPs.

C. Transfer of Accountability

In case of a transfer of properties from one accountable official or employee to another, the original accountable official or employee shall duly inform the TFAM/AMD or RAD and request the following:

1. The old Memorandum Receipt/s (MR) shall be cancelled and to be returned to the former holder of the equipment/properties.
2. Newly issued MR shall be accomplished and signed by the person to whom the property is re-issued.

D. Inventory Taking Processes/Procedures

To ensure integrity of records and reconciliation of inventory with books of accounts, the Inventory Committee together with the TFAM/AMD or RPO will conduct an annual inventory of all equipment, motor vehicles, and real properties. On the other hand, inventory of supplies, semi-expendable items and other inventory items such as food and non-food supplies and spare parts shall be undertaken twice a year.

E. Property Insurance

1. All insurable properties, contracts, rights of action and other insurable risks should be applied for insurance coverage to the General Insurance Group (GIG) administered by the Government Service Insurance System (GSIS) to protect the Department against property losses. These include buildings, all its contents and motor vehicles.
2. The TFAM/AMD and RAD is required to submit to the GSIS the COA verified inventory reports for application of insurance coverage. To ensure proper recording and monitoring, payments of premiums and claims for insurance losses shall also be lodged under the TFAM/AMD or RAD.
3. DSWD field offices' insurance premiums and other related expenses shall be included in the Field Office's annual budget and shall be paid directly by the concerned DSWD Field Office to GSIS in their respective regions.

F. Registration of Motor Vehicles

The registration of motor vehicles shall be the responsibility of the TFAM/AMD and RAD. Proper monitoring on expiration of insurances and registrations shall be properly undertaken to prevent fines and penalties. A *petty cash fund* shall be maintained by TFAM/AMD and RAD to cover payments of all expenses, fees, fines other related expenses in relation to motor vehicle registration, subject to usual accounting and auditing rules and regulations.

G. Request for Relief from Property Accountability

G.1. Due to Loss of Property

When the loss of government funds or property occurs while they are in transit or the loss is caused by fire, theft, or other casualty or force majeure, the TFAM/AMD or RAD, or the officer/personnel therefore or having custody thereof shall immediately notify the COA or the auditor concerned within thirty (30) days and shall present his/her application for relief, with available supporting evidence.

Application for relief of accountability in case of loss, theft or other casualty and force majeure should be accompanied by the following documents:

- a. Affidavit executed by the accountable officer/staff stating the following facts:
 - ❖ Property lost and its evaluation
 - ❖ Actual date in which the absence was first noted
 - ❖ Manner of disappearance
 - ❖ Efforts put to recover the same, and
 - ❖ Provisions made to safeguard the property

- b. Joint affidavit of two (2) disinterested persons cognizant of the facts and circumstances about the loss. In case it is not possible to obtain the statement of two persons and only one is available, or none at all, such fact should be set forth in the affidavit of the person requesting relief, giving the reason/s therefore.
- c. Police report/s showing the steps taken by the police authorities to recover the property lost and to apprehend the suspect/s and the present status of the case.
- d. Certification from Police/Fire/Chief/Provincial governor/Mayor or other competent authority as to the destruction brought by natural calamity and/or insurgency.
- e. Copy of the Memorandum Receipts (MRs).

G.2. Due to Promotion, Resignation, Transfer and/or Detail to Other DSWD Office, Resignation and Retirement

In the event of promotion, transfer or detail to another office, resignation or retirement of the accountable official/employee, he/she shall turn over all property/equipment issued to him/her to TFAM/AMD or RAD for cancellation of accountability. If the said equipment/property is still needed by the originating office, the same shall be transferred to another **permanent/regular employee** identified by his/her originating office. In any case, promoted, detailed or transferred official/employee can only bring with him/her government properties assigned to him/her upon permission from the originating office. Furniture and equipment such as tables, office chairs and other properties bought in group and has similar identification with others in the originating office in terms of color, model, design and the likes can not be brought from one office to another.

Terms and conditions are covered under *transfer of accountability* in this guidelines.

The clearance certificate shall be without prejudice to any other accountability that may be discovered later on and shall be used for its purpose(s) within sixty (60) days upon issuance to/receipt of the official/employee concern, otherwise it shall be rendered invalid.

G.3. Death of an Accountable Personnel/Officer

In the event of death of an accountable personnel/officer, the TFAM/AMD or RAD shall immediately take the inventory of all properties and equipment issued to him/her and recover the same.

All other missing properties and/or equipment, if there is one, issued in the name of the deceased shall be certified by his/her immediate supervisor as "loss of property" stating therein the steps taken to recover the property/ies. This shall be the basis for dropping of accountability.

H. Disposal

The **Disposal Committee** shall inspect, appraised all unserviceable properties as identified by TFAM/AMD or RAD and recommend to the Secretary or his/her representative in DSWD-CO or to the Director in FOs and attached agencies the mode of disposal appropriate deemed most advantageous to the government.

If found to be valuable, the unserviceable property/ies may be sold at public/sealed bidding to the highest bidder.

Upon completion of the disposal, copy of the Inventory & Inspection Reports (I & I) and Report of Waste Material (RWM) shall be accomplished by the TFAM/AMD or RAD. These reports shall be the basis for dropping the property from the books of accounts and for taking up the proceeds from the sale of property.

Corresponding Journal Entry Voucher (JEV) for the dropping of the value of the unserviceable property shall be prepared by the Finance Office/ Accounting Division and furnish a copy to the TFAM/AMD or RAD within 30 days upon receipt of disposal documents.

IV. Monitoring

All heads of offices, divisions, units and sections are directed to observe and monitor compliance on the provisions of the Circular.

V. Effectivity

This Circular shall take effect immediately and amend and/or revoke all other DSWD issuances, guidelines, or their specific provision/s inconsistent with this guidelines.

VI. Issuance

Issued this 2nd day of February 2004 in Quezon City Philippines.


CORAZON JULIANO-SOLIMAN
Secretary
Department of Social Welfare and Development

A CERTIFIED COPY:


RENATO F. GILERA
Records Officer III

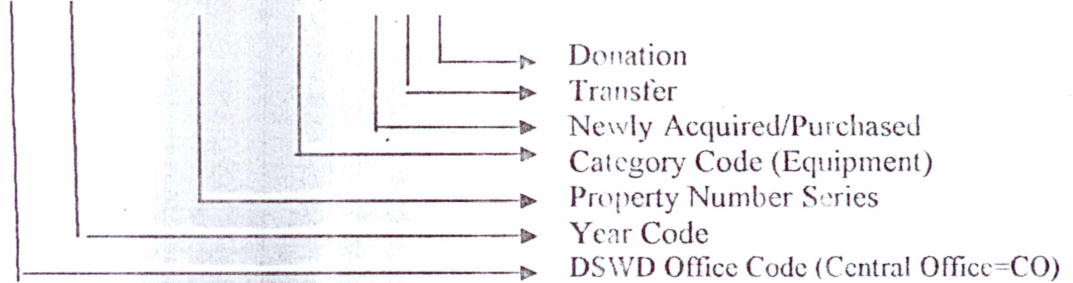
JOEY/NPS/MSMA

Annex "A"

The property numbering system will be patterned to the following coding and format:

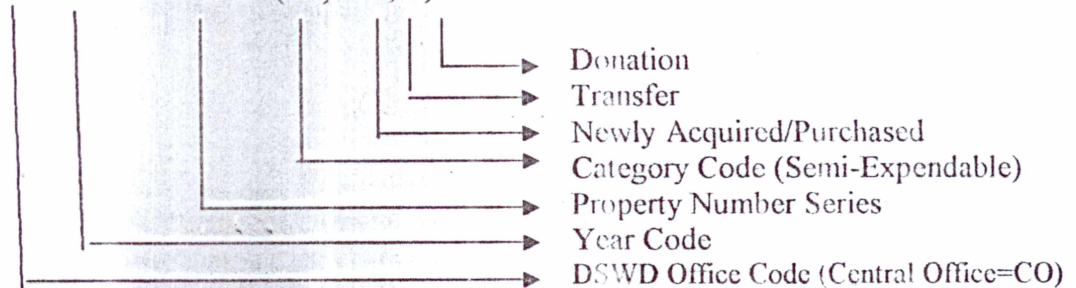
FOR EQUIPMENT:

CO - 03 - 000001 - (E) - N, T, D



FOR SEMI-EXPENDABLE ITEMS:

CO - 03 - 000001 - (SE) - N, T, D



Suggested DSWD-Office Code:	Field Office I	FO1
	Field Office II	FO2
	Field Office III	FO3
	Field Office IV	FO4
	Field Office V	FO5
	Field Office VI	FO6
	Field Office VII	FO7
	Field Office VIII	FO8
	Field Office IX	FO9
	Field Office X	FO10
	Field Office XI	FO11
	Field Office XII	FO12
(CARAGA)	Field Office XIII	FO13
	Field Office CAR	CAR
	Field Office ARMM	ARMM

The only portion of the property number that will change every beginning of the year is the *year-code*.

Annex "B"

The property officer shall file an application for disposal and submit to the Disposal Committee, and shall prepare the following reports:

- c. **Inventory and Inspection Report (I & I Report or General Form GF No. 17-A)** for semi-expendable and equipment and non-expendable supplies, accompanied by the following, whichever is appropriate:
- Individual survey report, duly certified by the Property Officer and the Secretary of his/her representative.
 - List of missing spare parts duly certified by the Property Officer and the Secretary of his/her representative.
 - Stencils of chassis and engine numbers of motor vehicles.
 - Current photographs in two positions.
- b. **Report of Waste Materials (RWM or General Form GF No. 64-A)** for expendable materials, supplies and consumables including replaced spare parts, empty containers, and remnants from destroyed or damaged fixed assets