



Republic of the Philippines  
Department of Agriculture  
**OFFICE OF THE SECRETARY**  
Elliptical Road, Diliman  
Quezon City 1100, Philippines

February 14, 2019

MEMORANDUM ORDER No. 07  
Series of 2019

**TO :** CHIEF, ACCOUNTING DIVISION (Central Office)  
CHIEF, BUDGET DIVISION (Central Office)  
CHIEF, PROCUREMENT DIVISION (Central Office)  
ALL PROCUREMENT COORDINATORS (OSEC Proper)

**SUBJECT :** GUIDELINE FOR THE VALIDITY OF EARMARKING OF FUNDS  
AND FOR THE PURPOSE OF SECURING THE CERTIFICATE OF  
AVAILABILITY OF FUNDS (CAF).

**RATIONALE:**

To standardize the process of ensuring the validity of earmark in the Procurement Request Action Slip (PRAS) or Purchase Requests (PR) as a requirement for the Certificate of Availability of Funds (CAF) before Contracts/Work Order/Purchase Order are awarded.

**PURPOSE:**

To facilitate the ease of doing business and fast track the process of obligating the funds by removing the attachment of a *Certification of Earmark* issued by the Budget Division.

**COVERAGE:**

All procurement activities, which require funding based on their approved or supplemental Annual Procurement Plans (APP) chargeable against Authorized Appropriations.

**EXEMPTION:**

Fund Transfer and other transactions that does not require to undergo the procurement process.

## PROCEDURES:

1. Before the award of Contract(s), the BAC through the Procurement Division will call the attention of the End-User who shall be responsible for the re-validation of their PRAS once the validity of earmark will expire at least one week before the expiration.
2. The Procurement Coordinator of each Operating Unit shall coordinate with the Budget Division regarding extension of validity of earmark; and to attach the original PRAS for the purpose of its re-validation.
  - 2.1 – The BAC shall be responsible for the submission of the consolidated PRAS for re-validation in the case of Public Bidding/Multiple PRAS.
3. The Budget Division will perform immediately the necessary re-validation of earmark upon receipt of the original PRAS/PR, and the extension of validity for another 6 months or the last working day of the year if still available. However, If found to be insufficient, the necessary realignment for the purpose will commence.
4. Once the PRAS/PR is re-validated, the Procurement Coordinator or BAC must proceed to the Accounting Division for the sole purpose of securing a ***Certificate of Availability of Funds (CAF)*** based on valid earmarked on PRAS, to be written in the required portion of the Contract, e.g., WO/PO.
5. The perfection of the Contract/Work Order/Purchase Order will be turned-over to the Procurement Division for signing of Conforme by the supplier or winning bidder.
6. Once the Contract is perfected and awarded, obligations of the contract will now commence through the submission of signed ORS (Box A) and approval of the Budget Division in Box B (*earmarked fund should still be valid at the time of obligation*) and simultaneously encoding with the E-Budget System.

## EFFECTIVITY:

This guideline shall take effect immediately.

EMMANUEL F. PIÑOL  
Secretary

DEPARTMENT OF AGRICULTURE  
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