



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

MEMORANDUM CIRCULAR

No. 03
Series of 2022

SUBJECT: IMPLEMENTING GUIDELINES ON THE UTILIZATION OF THE ENGINEERING AND ADMINISTRATIVE OVERHEAD (EAO) EXPENSES OF AGRICULTURAL INFRASTRUCTURES ENUMERATED IN THE GENERAL APPROPRIATIONS ACT OF FY 2022 UNDER THE DEPARTMENT OF AGRICULTURE (DA)

Whereas, with the continuing journey towards the “Golden Age of Infrastructure”, the Department of Agriculture is tasked to timely implement vital infrastructure projects for the benefit of the agricultural sector;

Whereas, Special Provision No. 12 under the DA OSEC of the General Appropriations Act of 2021 (GAA 2021) authorizes the DA to deduct engineering and administrative overhead (EAO) expenses not exceeding one percent (1%) of the project funds for small-scale irrigation projects and other infrastructure projects costing more than One Million Pesos (P1,000,000.00);

Whereas, the President-Veto-Message states that the “EAO shall be subject to the guidelines to be issued jointly by the DA and DBM”;

Whereas, DA-DBM Joint Memorandum Circular No. 4, Series of 2021 known as “Guidelines on the Utilization of Engineering and Administrative Overhead (EAO) Expenses for the Implementation of Agricultural and Fisheries Infrastructure Projects in Department Agriculture”, provides the general guidance on the allowable deductions, usage, and accounting of the engineering and administrative overhead (EAO) expenses authorized under the FY 2021 GAA.

Whereas, SP No. 13 of the GAA 2022 authorizes the DA to deduct engineering and administrative overhead (EAO) expenses not exceeding one percent (1%) of the project funds for small-scale irrigation projects and other infrastructure projects costing more than One Million Pesos (1,000,000.00);

Further, SP No. 13 of the FY 2022 GAA mandates that this provision shall be subject to DA-DBM JMC No. 4, dated May 27, 2021;

Wherefore; in view of the foregoing, all the provisions under DA-DBM JMC. No. 4, S. 2021 shall remain in force and shall serve as the implementing guidelines on the utilization of engineering and administrative expenses (EAO) of agricultural infrastructures until revised or amended, by parties concerned.

Issued this 9th day of February 2022.


WILLIAM D. DAR, Ph.D.
Secretary

DEPARTMENT OF AGRICULTURE

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