

Republic of the Philippines

**DEPARTMENT OF SCIENCE AND TECHNOLOGY**



02 September 2020

SEP 02 2020

**MEMORANDUM**

**TO :** All Heads of DOST Sectoral Councils, Research and Development Institutes, S&T Service Institutes, Regional Offices, Collegial Bodies, Attached Agencies and DOST-CO Offices

**SUBJECT :** **REVISED GUIDELINES FOR THE GRANTS-IN-AID PROGRAM OF THE DEPARTMENT OF SCIENCE AND TECHNOLOGY AND ITS AGENCIES**

Please find attached a copy of DOST A.O. No. 011 series of 2020, "**REVISED GUIDELINES FOR THE GRANTS-IN-AID FUNDS OF THE DEPARTMENT OF SCIENCE AND TECHNOLOGY AND ITS AGENCIES**". The revision was made to: a) streamline procedures and make it more relevant and responsive to the researchers; b) update provisions in line with new DOST-EXECOM directives; c) increase approving authority of Implementing and Monitoring Agencies; and d) make it consistent with new or revised government rules and regulations.

The new guidelines shall take effect immediately. This order supersedes DOST A.O. Nos. 009 Series of 2017 and 017 Series of 2018 and all other issuances inconsistent herewith.

For your information and guidance.

**FORTUNATO T. DE LA PEÑA**  
Secretary



Republic of the Philippines

**DEPARTMENT OF SCIENCE AND TECHNOLOGY**



Administrative Order No. 011  
Series of 2020

SEP 02 2020

**Subject: REVISED GUIDELINES FOR THE GRANTS-IN-AID PROGRAM OF THE DEPARTMENT OF SCIENCE AND TECHNOLOGY AND ITS AGENCIES**

This Order is issued to amend the existing DOST-GIA Guidelines as embodied in DOST Administrative Order No. 009 Series of 2017 and 017 Series of 2018.

## **I. RATIONALE/PURPOSE OF GRANT**

Section 4 of Executive Order No. 128, s. of 1987 mandates the Department of Science and Technology (DOST) to formulate and implement policies, plans, programs and projects for the development of science and technology and for the promotion of scientific and technological activities for both the public and private sectors, and to ensure that the results of scientific and technological activities are properly applied and utilized to accelerate economic and social development.

Pursuant to this, the DOST through its Grants-In-Aid (GIA) Program, aims to harness the country's scientific and technological capabilities to spur and attain sustainable economic growth and development. Through the funding of relevant science and technology (S&T) undertakings, the GIA program aims to contribute to productivity improvement and quality of life of Filipinos by generating and promoting appropriate technologies. Likewise, it seeks to strengthen the participation of various S&T sectors particularly in research and development (R&D), promotion, technology transfer and utilization, human resource development, information dissemination, advocacy, and linkages.

The GIA program provides grants for the implementation of programs/projects identified in the current DOST priorities and thrusts and supports S&T activities classified in the General Appropriations Act (GAA).

## **II. SCOPE/COVERAGE**

The DOST-GIA guidelines cover grant application, approval, monitoring and reporting of programs and projects funded under the DOST-GIA Program.

### III. CENTRAL RESPONSIBILITY

The DOST is authorized to promulgate its procedures in implementing this program. The DOST-Office of the Undersecretary for R&D shall manage the implementation of DOST-GIA Program with the assistance of all concerned DOST agencies to ensure the success of the program.

### IV. DEFINITION OF TERMS

The terms herein used shall mean as follows:

- A. Accounts payable -- the incurred expenses of the Implementing Agency due for payment during the active period but not yet paid as of the end of duration of the project.
- B. Commercialization -- refers to the process of deriving income or profit from a technology, such as, but not limited to the operation of a spin-off company or business establishment from a licensed or sale of technology and/or IPRs.
- C. Completion Date -- the expiration date of a grant, after which no expenditures can be charged against the grant.
- D. Completed project -- a project whereby the Implementing Agency has satisfactorily complied with the technical obligations such as but not limited to semi-annual and annual progress reports as well as the financial requirements as provided for in the program/project Memorandum of Agreement (MOA) and accepted by the Monitoring Agency.
- E. Contained Use--any operation, undertaken within a facility, installation or other physical structure, which involves Genetically Modified Organisms (GMOs) that are controlled by specific measures that effectively limit their contact with, and their impact on, the external environment. It involves the use of a regulated article for research and development inside a physical containment facility which has been inspected and approved by the DOST-Biosafety Committee.
- F. Continuing Project-- a project where the funding agency agrees to provide support for an initial specified time with a statement of intent to provide support/budget for the succeeding year, provided that funds are available and the achieved results justify further support.
- G. Cooperating Agency--an agency that supports the project by participating in its implementation as collaborator, co-grantor, committed adopter of resulting technology, potential investor in technology development or through other similar means.
- H. Direct Cost--expenses incurred by the implementing agency in the execution of program/project, which are considered indispensable to its operations.

- I. DOST Executive Committee (EXECOM)—is the highest policy and approving body of DOST which has the authority to make decisions and ensures that these are carried out in the implementation of DOST-GIA funded programs/projects.
- J. Funding Agency—refers to DOST or any government agency or instrumentality, or government-owned and/or controlled corporation that provides research grants and other technical and material support, from government appropriations and resources and those sourced from government-managed Official Development Assistance (ODA) funds.
- K. Genetically Modified Organisms (GMOs)—any living organism that possesses a novel combination of genetic material obtained through the use of modern biotechnology to make them capable of producing new substances or perform new functions. It also refers to any “living modified organism” as defined under the Cartagena Protocol on Biosafety.
- L. Grants-In-Aid (GIA)—funds allocated to programs/projects by the DOST and its particular grant-giving agencies, including its Regional Offices and Sectoral Councils, pursuant to these Guidelines.
- M. Implementation Date—the date when the funds were released to the Implementing Agency.
- N. Implementing Agency—the primary organization involved in the execution of a program/project which can be a public or private entity.
- O. Income—the income from GIA projects supported by DOST and its particular grant-giving agencies, based on existing laws, shall include but not be limited to:
  - 1. Royalty payments and other intellectual property rights remuneration received from results/products, processes, and technology systems arising from a program/project;
  - 2. Rental fees, management fees, and related types of remuneration received from the use of equipment/facilities funded by GIA Program;
  - 3. Sale of produce and other products, services, and publications developed from project activities; and
  - 4. Training fees (net of expenses) collected from training packages developed from the program/project activities.
- P. Indirect Cost—the overhead expenses incurred by the implementing or monitoring agency in managing, evaluating, and monitoring of the program/project as cited in Section IX.B.2 of these guidelines. The administrative and project management costs shall be under this classification.
- Q. Intellectual Property (IP) – refers to creations of the mind, such as inventions, literary and artistic works and symbols, names, images and designs used in commerce. It also includes intangible assets resulting from the creative work of an individual or organization.

- R. Interest—refers but shall not be limited to interests of deposits of the grant in a bank account whether in a separate project account or in a general account. This shall be reported as earnings in the project's financial report.
- S. Line-Item Budget (LIB)—the detailed breakdown of financial assistance requested and reflects the counterpart of the Implementing Agency and other agencies cooperating in the project.
- T. Monitoring Agency—the DOST agency that reviews the project proposal and provides technical assistance and coordinates among different implementing and coordinating agencies. It shall evaluate the feasibility of the project/program and ensure that implementation follows the approved project proposal, line-item budget, and Memorandum of Agreement.
- U. Multi-Year Program/Project—a program/project exceeding one (1) year project duration.
- V. Non-Government Organization – a non-profit, voluntary organization committed to the task of socio-economic development and established primarily for services such as assisting citizens or people's organizations in various ways by educating, training, or giving funds to them. (Section 2.0 of COA Circular 2007-001 dated 25 October 2007) This includes, but is not limited to, DOST-certified science foundations.
- W. Non-Profit Institutions – refers to any legal or social entities created for the purpose of producing goods and services, and rendering assistance, whose status does not permit them to be a source of income, profit or other financial gain for the units or persons that establish, control or finance them.
- X. Oath of Undertaking--refers to a sworn statement executed by the Project Leader acknowledging his/her outstanding obligation to the Funding Agency with a legally demandable commitment to comply within the prescribed period.
- Y. Pre-commercialization Phase– is a process that bridges R&D and commercialization which includes activities that lead to the creation or validation of the business model for the commercialization of a product/service. Example of activities include incubation, mentoring, business support program, capacity building, fabrication support, promotion, market validation, optimization of processes, acquisition of production capabilities, research on manufacturability of products/ optimization of value chains, advisory, legal and expert support, and use of research/ incubation facilities, among others. For ready to scale startups, pre-commercialization shall include optimizing scale-up operations to serve local markets, roll out of initial services, expansion of protection in other countries and extensive marketing in preparation for investment offerings in the future.
- Z. Private Sector– refers to individuals or companies engaged in profit-seeking activities not operated by the government. It includes startups, micro, small and medium-sized enterprises, financial institutions, cooperatives, and other related intermediaries.

- AA. Program--a group of interrelated or complementing S&T projects that require an interdisciplinary or multidisciplinary approach to meet established goal(s) within a specific time frame.
- BB. Program Leader--the person who plans, organizes and supervises the overall activities of a program and is a Project Leader of at least one (1) of the projects under a program.
- CC. Project--the basic unit in the investigation of specific S&T problem/s with predetermined objective(s) to be accomplished within a specific time frame.
- DD. Project Cost--the amount or budget requested by the Implementing/Monitoring Agency and/or approved by the Funding Agency.
- EE. Project Duration--the grant period or timeframe that covers the approved start and completion dates of the project.
- FF. Project Leader--the project's principal researcher/implementer.
- GG. Project Proposal--the plan and description of S&T project developed by a Program/Project Leader and/or his/her team in accordance with specific requirements or specifications set by DOST and/or its grant-giving unit, and submitted to the latter for financial and/or technical assistance.
- HH. Program/Project Personnel--shall be composed of the program/project leaders and their staff, who are directly involved in the implementation of the program/projects.
- II. Project Staff--those who render technical, administrative or management-related services/assistance, including research utilization practitioners; information, education, communication (IEC) material writers; and tri-media communications support staff.
- JJ. Proponent--an agency or organization or in the case of startups, an entity or individual that prepares and submits project proposals for DOST's approval and assistance under the DOST-GIA Program.
- KK. Reprogramming--is the transfer or reapplication of funds within a project, either between and among expense items within an expense class or between two expense classes.
- LL. Funding Agreement --a contract entered into by and among the government funding agency (GFA) and other funding agencies and the research and development institutes (RDIs). It governs ownership of intellectual property, duties and responsibilities of GFAs and RDIs, technology disclosure, exclusivity of the license, use of commercialization, establishment of spin-off firms, technologies for research use and sharing of income and benefits from technology commercialization.
- MM. Savings--the remaining balance of the approved budget of the project or the unutilized portion of the approved project funds after it has been completed/terminated. It also refers to the amount accrued after all project activities have been conducted.

NN. Science and Technology (S&T)—the scientific research and development, promotion and commercialization of technology, dissemination and application of scientific and technical knowledge in all fields of natural science and technology.

OO. Smallest Unit of an Agency – refers to a Section, Division, Department or College provided that the Project Leader directly reports to the Head of said Section, Division, Department or College).

PP. Startups – any person or registered entity engaged in the Philippines which aims to develop an innovative product, process, or business model.

QQ. Startup Enablers – any person or registered entity in the Philippines registered under the Philippine Startups Development Program that provides goods, services, or capital identified to be crucial in supporting the operation and growth of startups, by the DTI in consultation with DOST, DICT, and pertinent government and nongovernment organizations (NGOs).

Startup enablers shall include, but not limited to, startup accelerators, incubators, co-working spaces, investors, funders, event or meetup organizers catered to startups, and other support organizations.

RR. 6Ps and 2Is – the metrics used in evaluating DOST-GIA programs/projects which are publications, patents and Intellectual Property Rights (IPR), products, people services, partnerships, and policies (in the case of Startups, may be business models); and social and economic impact.

SS. Termination Date--the date the project implementation was discontinued due to reasonable causes, as endorsed by the Monitoring Agency and approved by the Funding Agency.

TT. Unexpended Balance (UB)--the outstanding balance earmarked for an item that has not yet been procured or an activity that has not yet been accomplished.

## **V. CLASSIFICATION OF S&T PROGRAMS/PROJECTS FUNDED**

### **A. Research and Development (Generation of Knowledge and Technologies)**

Research and development (R&D) is defined as comprising of creative work undertaken on a systematic basis in order to increase the stock of knowledge, including knowledge of man, culture and society, and the use of this stock of knowledge to devise new applications through the conduct of the following activities:

1. Fundamental/Basic Research--refers to experimental or theoretical work undertaken primarily to acquire new knowledge on underlying phenomena and observable facts. This can either be (a) without immediate or specific application (fundamental research) or (b) geared to come up with information toward the solution of a specific problem that has not been solved before

(oriented basic research). This category includes natural and social sciences among other areas.

2. Applied Research--refers to investigation undertaken in order to utilize data/information gathered from fundamental/basic researches or to acquire new knowledge directed primarily towards a specific practical aim or objective with direct benefit to society.
3. Experimental Development--refers to systematic work that draws from existing knowledge gained from research and/or practical experience that is directed to produce new materials, products and devices, install new processes, systems and services, and substantially improve those already produced or installed.
4. Pilot Testing--refers to innovative scaled-up (greater than laboratory or bench scale) activity aimed at gaining experience that may lead to further technical improvement of product or production process, and setting the parameters before the technology transfer of the process/product and design of equipment.

**B. Research and Development Results Utilization (RDRU) - Diffusion of Knowledge and Technologies**

RDRU refers to the technology utilization and dissemination of knowledge and innovation generated from R&D to reach the end-users, such as the LGUs, policy makers, farmers, entrepreneurs, researchers, extension workers, industries and students. It is the widespread adoption of technologies by users other than the original innovators. Technology diffusion is recognized world-wide as necessary for generating economy-wide benefits from innovation in terms of productivity gains and job creation. Knowledge and technologies are diffused through various channels and involve a broad range of private and public institutions that, taken as a whole, make up the national innovation system through the following:

1. Technology Transfer--are those activities that are basically designed to support, promote, facilitate or fast-track the transfer of technologies developed by DOST institutions and/or by DOST-funded/assisted R&D programs. It is also a process by which one party systematically transfers to another party the knowledge for the manufacture of a product, the application of a process, or rendering of a service, which may involve the transfer, assignment or licensing of IPRs.
2. Technology Receptor Capacity Building--are those activities that are essentially designed to enhance the capacity of firms, particularly the Micro, Small and Medium Enterprises (MSMEs), to identify their specific technology needs, to solve their technical problems and overcome their obstacles to the successful adoption and use of technologies arising from deficiencies in labor, management and organizational change. These include the provision of consultancy services and of access to information on technology sources.
3. Innovation Capacity-Building--are those activities that are designed to promote greater awareness of the value of innovation among firm managers and owners particularly of SMEs, and stimulate demand for technological and organizational change within firms, essentially through greater collaboration, partnerships, clustering and networking among firms and with knowledge

providers. These include collaborative and systematic planning for future strategic technology investments for a particular sector/cluster as well as the sharing of diagnostic tools, best practices, and knowledge among firms and academic/government institutions.

This category includes but is not limited to the following activities:

- a. Technology needs assessment and technology sourcing--assistance provided to participating firms in the assessment of technology needs, mapping, and identification of appropriate technologies to identify business opportunities and requirements of investors,--entrepreneurs, aspiring entrepreneurs, and industries in accelerating technology commercialization.
- b. Enterprise Development--establishment and strengthening of technology-based business through the provision of technology, equipment, and training.
- c. Consultancy and Technical Advisory Services--activities that ensure successful adoption of technologies through DOST's pool of experts drawn from its various agencies and members of the R&D network including academic institutions and private firms/industries.
- d. Technology Matching Service--activities that ensure promotion and utilization of technology through linkages between technology generators and technology adopters/users.
- e. Preparation of technology commercialization plan, acquisition of equipment and provision of technology systems to encourage and enable the private sector to carry out technological innovation and related activities/services.

#### C. Development of Human Resources and R&D Institutions for the S&T Sector

The development of human resources for the S&T sector involves a wide range of interventions from the provision of high-quality formal education at all levels to specialized training, with a focus on young scientists and engineers, and the development, attraction and retention of the country's S&T talents.

These include specialized science secondary school program, undergraduate scholarship programs, teacher upgrading programs, graduate scholarship programs, program for tapping overseas Filipino S&T expertise, awards and recognition programs and other human resource development programs. These also cover other initiatives aimed at enhancing the public's S&T awareness including but not limited to:

1. International, national, or local S&T workshops/seminars/meetings/symposia/conferences;
2. International, national, or local S&T competitions/quizzes/olympiads

Development of R&D institutions involve the creation of consortia which address specific S&T concerns of a region or a group. It may also include projects aimed at increasing the capability of institutions to conduct R&D projects which would translate to generation of world-class products and services.

D. Provision of Quality S&T Services

The DOST provides other services that strengthen the S&T infrastructure to develop and upgrade national, regional, and local S&T capacities of institutions and centers of excellence. These include:

1. Improving/upgrading the testing, measurement and calibration services of government laboratories and facilities;
2. Development of information resources/databases and general-purpose data collection to record natural, biological or social phenomena that are of general public interest;
3. Testing and calibration services of R&D institutes and other DOST regional offices;
4. S&T regulatory and licensing work, to include PNRI's nuclear regulation, and licensing policy such as those made by the DOST Central Office;
5. Publications/book writing on S&T including subsidy/grant to science and technology journals;
6. S&T policy development including secretariat services and management support to S&T programs and projects; and
7. Other S&T linkages development/promotion activities, to include, among others, organization and strengthening of S&T networks, and bilateral agreements, S&T programs for women and tri-media.

## VI. ELIGIBILITY REQUIREMENTS

The following are the program's eligibility requirements:

A. On the program/project proposal

The program/project proposal shall comply with the following eligibility requirements:

1. Alignment with and support of the Harmonized National R&D Agenda (HNRDA); and
2. No duplication with completed and ongoing programs/projects

B. On the Implementing Agency

The implementing agency that will be involved in the program/project:

1. must be a Filipino entity duly-registered with the appropriate government agencies;

2. must be either a government agency or its instrumentalities, educational institution, NGO, non-profit institution, private company, startups or a DOST-certified science foundation; and
3. in the case of startups, must be in operation for a minimum of one (1) year to a maximum of three (3) years provided that business model has not been established.

C. On the Program/Project Leader

The following are the criteria for the Program/Project Leader:

1. must be a Filipino citizen, subject to applicable laws;
2. shall submit documents/ proof of the following, which shall include but not limited to: credentials/proof of capability; certificate of employment; track record; and endorsement of his/her institution. Eligibility shall be determined by the assigned Monitoring Agency based on his/her readiness in terms of technical, managerial, financial and marketing capabilities (if necessary);
3. must hold a permanent position or a regular position for private entity and not due to retire during the conduct of a program/project.
4. must not have any existing accountability with DOST and its agencies particularly technical and financial reports (refer to Sections X.B and X.C); and
5. must not have been found guilty of administrative or criminal case, including those under appeal.

## **VII. PROJECT PROPOSAL REQUIREMENT AND ITS SUPPORTING DOCUMENTS**

The Program/Project Leader shall submit documents that are required by respective DOST funding agencies. These shall include, among others, the following:

- A. Complete proposal following the DOST format:
  1. R&D Programs/Projects: DOST Forms 1 and 2 (detailed R&D program/project proposal); and
  2. Non-R&D Programs/Projects (S&T Promotion and Linkages, Policy Advocacy, Technology Transfer, Provision of S&T Services, Human Resource Development and Capacity-Building): DOST Form 3
- B. Detailed breakdown of the required fund assistance to indicate the counterpart of the proponent and other fund sources including letter/s of commitment from the implementing, collaborating and coordinating agency/ies (See Section IX.B-LIB Preparation);
- C. A counterpart fund, in kind and/or in cash, shall be required from the implementing agency as one of the application requirements. All projects must have a minimum of 15% counterpart contribution except for projects involving public good;

- D. Curriculum Vitae or Personal Data Sheet (PDS) of Project Leader and other co-researchers/implementers. The service record may be requested if needed;
- E. Clearance from the DOST or the Funding Agency (eg. DOST Councils) on previously funded completed projects handled by the Project Leader;
- F. Approval from the institution's ethics review board for research involving human subjects or in the case of animal subjects, approval from the Bureau of Animal Industry (BAI);
- G. Clearance from the DOST Biosafety Committee (DOST-BC) shall be required for research proposals involving the use of GMOs under contained use (i.e. experiments done in laboratories, screen house, green house). For projects other than contained use, they shall be referred to the appropriate agency. The DOST Sectoral Councils, after determination as to whether or not the proposal has biosafety implications, shall endorse the same to the DOST-BC in accordance with the prescribed format under Annex 3 of the Philippine Biosafety Guidelines for Contained Use of Genetically Modified Organisms (series of 2014); and
- H. For the private sector/non-government organizations and startups:
  1. Up-to-date Securities and Exchange Commission (SEC) registration, or Department of Trade and Industry (DTI) registration, or Cooperative Development Authority (CDA) registration certificate, or other authenticated copy of latest Articles of Cooperation and other related legal documents;
  2. Co-signers Statement (if applicable);
  3. Copy of latest Income Tax Return;
  4. Mayor's permit where the business is located;
  5. Audited Financial Statements for the past three (3) years preceding the date of project implementation or in case of those with operation of less than 3 years, for the years in operation and proof of previous implementation of similar projects (or in the case of startups, at least for one (1) year);
  6. Document showing that NGO/PO has equity to 20 percent of the total project cost, which shall be in the form of labor, land for the project site, facilities, equipment and the like, to be used in the project;
  7. Disclosure of other related business, if any;
  8. List and/or photographs of similar projects previously completed, if any, indicating the source of funds for implementation;
  9. Sworn affidavit of secretary of the NGO/PO that none of its incorporators, organizers, directors or officers is an agent of or related by consanguinity or affinity up to the fourth civil degree to the official of the agency authorized to process and/or approved the proposed MOA, and release of funds;
  10. For CSOs, compliance to regulations as required by the General Appropriations Act (GAA) pertaining to fund transfers to Civil Society Organizations (CSOs); and
  11. For foundation, DOST certification as accredited by the Science and Technology Foundation Unit

For purposes of this particular section, private Higher Educational Institutions (HEIs) accredited by the Commission on higher Education (CHED) and private research and development institutions with proven track record with DOST shall be exempted from the abovementioned requirements.

## VIII. PROJECT PROPOSAL EVALUATION

The project proposal shall be evaluated based on the Funding Agency's project proposal review mechanism, their specific review criteria, or based on the following:

### A. Soundness of Proposal

1. R&D addresses relevant sectoral need (applicable to pressing concern);
2. Solution provided is most effective (compared to other proposed solutions);
3. Proposed budget is reasonable (project is not expensive vis-à-vis output); and
4. Workplan is doable in a given timeframe.

### B. Suitability of Output

1. R&D Output is cost-effective (cost is competitive in relation to new or existing products or process);
2. Has identified partners to adopt technology (with letter of support from the head of the company);
3. Output can be commercialized (through an existing manufacturer, spin-off or start-up company); and
4. R&D utilization is timely (output should not be overtaken by other solutions).

### C. Significance of Outcome

1. Economic: increase in productivity, increase in income, new jobs generated and high return of investment (ROI);
2. Social: working partnerships established; training opportunities provided; policies adopted; increased access to basic services (i.e. food, health education); political; cultural, gender sensitivity and inclusivity;
3. Environment: enhanced environmental health standards, no adverse effect to the environment; and
4. Sustainability: sustainability mechanisms established in terms of institutional, financial and human resources capability, (submission of a new proposal to sustain a completed or ongoing proposal does not constitute sustainability of the project).

### D. Competence of Proponent

1. Proponent's expertise is aligned with the proposal;
2. Collaboration with relevant agencies and/or industry partners;
3. Thorough understanding of the proposals; and
4. DOST has good experience with the proponent.

## **IX. PROPOSAL PREPARATION, SUBMISSION, REVIEW, AND APPROVAL**

### **A. Detailed Proposal and Work Plan**

The Program/Project Leader shall prepare a detailed proposal using the prescribed DOST form that presents among others the following:

1. Title of proposed program/project
2. Information about the Program/Project Leader
3. Significance and objectives of the project
4. Review of related literature (references to illustrate/describe the baseline data)
5. Theoretical framework (key assumptions and critical areas in conceptualization stage)
6. Methodology/strategies for implementation
7. Expected output based on 6Ps and potential socio-economic impact
8. Target Outcome
9. Target beneficiaries
10. Gender sensitivity/responsiveness (based on the harmonized gender and development guidelines)
11. Personnel and financial requirement
12. Duration of the program/project
13. Work plan or Gantt Chart of activities
14. Risk Management Plan
15. Curriculum vitae of Program Leader, Program/Project Coordinator, Project Leader and Other Co-researchers/ implementers

### **B. Line Item Budget (LIB) Preparation**

The grant shall finance project expenditures itemized in an approved LIB following the DOST Form 4-Project Line Item Budget. The grant may cover partial or full cost of the project, both direct and indirect costs which shall include personnel services, maintenance and other operating expenses, and capital outlay that are integral part of the project. All expenditure items in the LIB shall be in accordance with the Unified Account Code Structure (UACS), relevant provisions of which are shown below.

#### **1. Direct Cost**

Direct cost covers expenses incurred by the implementing agency in the execution of program/project considered indispensable to its operations. It can be broken down according to specific accounts under Personnel Services (PS), Maintenance and Other Operating Expenses (MOOE), and Capital Outlay (CO).

##### **a. Personnel Services (PS)**

This includes salaries and wages, honoraria, fees, and other compensation to consultants and specialists. These personnel undertake specific activities that require expertise or technical skill. Payment of

salaries and honoraria should specifically be based on the applicable guidelines.

b. Maintenance and Other Operating Expenses (MOOE)

MOOE shall be in accordance with the Government Accounting Manual (GAM) and shall be broken down/itemized as follows:

i. Traveling Expenses--costs of: (1) movement of persons locally and abroad, such as transportation, travel insurance for researchers exposed to hazard/risks, subsistence, lodging and travel allowances, fees for guides or patrol; (2) transportation of personal baggage or household effects; (3) bus, railroad, airline, and ship fares, trips, transfers, etc. of persons while traveling; (4) charter of boats, launches, automobiles, etc. non-commutable transportation allowances, road tolls; and (5) parking fees and similar reasonable expenses.

For foreign travel, the proposal shall include the name(s), designation of program/project personnel who will travel, possible country of destination, purpose and duration of the travel, provided only project personnel shall be allowed to use the travel funds except in highly meritorious cases as determined by the Monitoring Agency governed by DOST-prescribed rules and other existing applicable relevant guidelines, circulars, or order of competent authority pursuant to law and implementing rules and regulations.

ii. Communication Expenses--include costs of telephone, telegraph, mobile/wireless and tolls, fax transmission, postage and delivery charges, data communication services, internet expenses, cable, satellite, radio and telegraph messenger services, among others;

iii. Repair and Maintenance of Facilities--include costs of repair and maintenance of office equipment, furniture and fixtures, machinery and equipment, IT equipment and software, building, office and laboratory facilities, and other S&T structures directly needed by the project;

iv. Repair and Maintenance of Vehicles--include costs of repair and maintenance of vehicles directly needed by the project except for cost of spare parts, gasoline and oil that shall fall under Supplies and Materials;

v. Transportation and Delivery Services--include the costs of commercial transportation of mail, hauling of equipment or materials, including portage, if any. Not included in this account are: costs of transportation of equipment, supplies and materials purchased for operation. Instead, these costs shall be included as part of the cost of the equipment/supplies and materials;

vi. Supplies and Materials--include costs of items to be used in specialized S&T work (e.g. office supplies, accountable forms, zoological supplies, food supplies, drugs and medicine, laboratory supplies,

gasoline, oil and lubricants, agricultural supplies, textbooks/instructional materials, and other supplies). It also includes all expendable commodities (delivery cost included as needed/required) acquired or ordered for use in connection with project implementation such as spare parts, fuel, and oil;

- vii. Utilities--include costs of water, electricity or cooking fuel consumed by the implementing agency directly related to the project;
- viii. Training and Scholarship Expenses--include training fees and other expenses, and scholarship expenses such as tuition fees, stipends, book allowance, and other benefits;
- ix. Advertising Expenses--include costs of authorized advertising and publication of notices in newspapers and magazines of general circulation, television, radio, and other forms of media necessary for the implementation of the project;
- x. Printing and Binding Expenses--include costs of producing, printing, and binding materials such as books, reports, catalogues, documents, and other reading materials necessary for the implementation of the project;
- xi. Rent Expenses--rental fees for the use of facilities, equipment, and vehicles directly used in the implementation of the project;
- xii. Representation Expenses--include costs of meal/food for the conduct of workshops/meetings, conferences, and other official functions related to the project;
- xiii. Subscription Expenses--include costs of subscription to library materials, such as magazines, periodicals, other reading materials and software (including online software) necessary for the implementation of the project;
- xiv. Survey Expenses--include costs incurred in the conduct of survey related to the project;
- xv. Professional Services--as defined in GAM, but only those items that are relevant and appropriate to the proposed program/project;
- xvi. Taxes, Insurance Premiums and other Fees--include costs of accident insurance of the project personnel for the performance of duties that involve hazardous activities during project duration; taxes, duties and licenses, fidelity bond premiums, and insurance expenses of equipment acquired under the project; and
- xvii. Other Maintenance and Operating Expenses--additional items not included above such as cost of submission of scientific paper for peer reviewed journals.

c. Capital Outlay (CO)

This includes all equipment necessary for the implementation of the project, which shall be enumerated in the proposed LIB. Equipment procured through GIA funds are subject to the provisions under Section XII "Purchase, Ownership, and Accountability of Equipment and Other Properties" of these Guidelines. Every equipment shall still be subject to the evaluation of the monitoring agency.

This also includes infrastructure that are integral part of the R&D, which are crucial in the attainment of the project objectives.

2. Indirect Cost

Indirect cost covers the overhead expenses incurred by the Implementing Agency in managing and, Monitoring Agency in evaluating and monitoring the program/project. The administrative and project management costs shall fall under this account. Similar to direct cost, the indirect cost can be broken down according to specific item under PS, MOOE and CO.

- a. The indirect cost shall be included in the LIB except for projects on printing/documentation of proceedings and publication of books and other works, conduct of conferences/seminars/ workshop, and for projects that are purely equipment acquisition in nature.

The total indirect cost of a program/project shall not exceed 15% of the total PS and MOOE of the program/project.

- b. The Implementing Agency and Monitoring Agency shall each retain an indirect cost, equivalent to 7.5% of PS and MOOE less Taxes, Duties and Licenses. For projects that are primarily on S&T promotion, policy advocacy, human resource development and capacity-building, the indirect cost shall not exceed three hundred thousand pesos (P300,000.00) unless otherwise allowed by the Funding Agency, subject to submission of substantiation as to increased costs based on scope, complexity and geographic coverage.
- c. Indirect cost incurred by the Implementing and Monitoring Agency, covers expenses incurred in managing, evaluating and monitoring the program/project and other related expenses. Expenses in managing the program/project includes but not limited to financial and administrative support for PS (salaries and honoraria) and expense items under MOOE (supplies and materials, communication services, transportation and delivery expenses, travelling expenses, utilities, representation expenses, professional services, refurbishment of facilities and repairs and maintenance) and equipment outlay (EO) as defined under the Government Accounting Manual (GAM).

Foreign travel and training expense may be allowed subject to the approval of the Funding Agency provided that the Monitoring Agency is not the funding agency.

- d. The number of personnel receiving honoraria on a per project basis under indirect cost shall not exceed five (5) for the Implementing Agency and three (3) for the Monitoring Agency except in highly meritorious cases as approved by the Funding Agency.

#### C. Project Proposal Flow/Approval/Release of Funds

1. The Program/Project Leader shall submit the proposal duly endorsed by the Head of Agency to the Office of the Undersecretary for R&D, which shall acknowledge submission and update the Program/Project Leader of any action taken on the proposal.
2. The project proposal shall be evaluated through an established project review mechanism (DOST Monitoring & Evaluation (M&E) Protocol). Endorsement of the appropriate Sectoral Council/ DOST agency to monitor the project shall be required for all project proposals.
3. All new projects to be funded under the DOST-GIA Program shall be subject to approval of the EXECOM except for projects amounting to five million pesos (₱5,000,000.00) and below which may be approved by the Undersecretary for R&D. The EXECOM shall be informed of the projects approved by the Undersecretary.
4. Upon approval of the proposal, a Memorandum of Agreement (MOA) shall be issued by the DOST-Special Projects Division (SPD) or concerned DOST Funding Agency. For continuing projects, an approval letter and approved LIB shall suffice. If there are changes in the original MOA such as duration or budget, or if there are special instructions during renewal, a Conforme letter shall be issued. For changes in objectives and/or deliverables, a Supplemental MOA shall be issued. The DOST Secretary shall be the principal signatory for all documents pertinent to the approved project amounting to more than fifteen million pesos (₱15,000,000.00). Approved projects amounting to fifteen million pesos (₱15,000,000.00) or below shall be for the signature of the Undersecretary for R&D.
5. For projects involving human and animal subjects or genetically modified organisms (GMOs), fund release is subject to the submission to the Funding Agency of clearances from the approving authority such as Bureau of Animal Industry (BAI), Ethics Review Board and Biosafety Committee. For projects involving indigenous peoples' rights and interests, an approved Free, Prior and Informed Consent (FPIC) shall be submitted to the Funding Agency. For NGOs/ POs as implementing agency, an authenticated copy of the certificate of approval by the Cooperative Development Authority (CDA) shall be submitted to the Funding Agency. For projects with Civil Society Organizations (CSOs) as implementing agency, the CSOs must be in good standing and shall submit clearance on the funds received from other government agency to attest that it has no default or delay in liquidating grants.

## X. GRANT ADMINISTRATION

### A. Roles of the Concerned Institutions/Offices/Staff

#### 1. The SPD shall:

- a. Act as the Secretariat to the EXECOM and monitor DOST-GIA fund status;
- b. Ensure, with the assistance of the designated Monitoring Agencies, that grant conditions and policies concerning program/project implementation are strictly followed; and
- c. Revise the content of the DOST-GIA Forms subject to approval by the EXECOM.

The SPD shall coordinate with the appropriate Sectoral Council. Further, the SPD shall provide concerned offices with all pertinent documents related to the approved programs/projects for proper documentation and coordination/monitoring and facilitate assistance in the conduct of assessment by the DOST-EXECOM of major completed R&D projects.

- #### 2. The Monitoring Agency shall ensure the efficient, timely and smooth implementation of approved projects and that set objectives and targets are attained. It shall conduct periodic field evaluation of the project to identify problems, solutions and remedial actions to avoid delays in implementation. The Monitoring Agency shall also examine the budget requirements of the projects especially those that require continued funding. In addition, it shall evaluate the activities conducted, equipment purchased, review reports submitted and ensure that appropriate intellectual property protection be initiated, where applicable, for outputs of R&D project.

The Monitoring Agency shall certify that the foreign travel of the Implementing Agency is essential and necessary to the project and consistent with the approved line-item budget. The request to use the funds which shall be duly endorsed by the Head of the Implementing Agency or its authorized representative, shall be submitted to the Monitoring Agency for endorsement to the Funding Agency at least one (1) month prior to the date of travel. The Monitoring Agency's endorsement shall be submitted to the Funding Agency at least two (2) weeks prior to the date of travel. The Funding Agency reserves the right to approve or disapprove the request. A travel report shall be submitted one (1) month upon return to the country;

Monitoring and evaluation expenses shall be governed by the DOST prescribed rules and other existing applicable relevant guidelines, circulars, or order of competent authority pursuant to law and implementing rules and regulations.

- #### 3. The Implementing Agency shall have primary responsibility of all project activities. It shall notify the Monitoring Agency of significant concerns/problems related to project implementation. The Head of the Implementing

Agency shall ensure that the Project Leader submits to the Funding Agency all the required reports/documents on time.

4. The Program/Project Leader shall provide technical leadership and directly implement the program/project; adhere to the goals/objectives of the program/project; follow strictly the approved activities as reflected in the work plan; deliver committed outputs; and submit required reports/documents on time. The Program Leader shall coordinate with the project leaders to ensure that the goals of the projects and program are attained; consolidate the projects' output, which shall be packaged as a program output; ensure that all implementing guidelines has been read and understood; and execute manifestation to abide by all the rules.

The Project Leader shall ensure that the request for foreign travel shall be made one (1) month prior to the date of travel and it should be duly endorsed by the Head of the Implementing Agency or its authorized representative. The request shall be submitted to the Monitoring Agency for endorsement to the Funding Agency. A travel report shall be submitted within one (1) month upon return to the country;

To ensure that programs/projects are effectively implemented, a Program Leader shall handle only two (2) programs at a time while a Project Leader shall handle only three (3) projects at a time.

5. The Project Staff shall undertake the day-to-day implementation of the S&T program/project. He/she is required to read the implementing guidelines of the project and execute manifestation that he/she understands and is willing to abide by all the rules. He/She shall be involved in only two (2) projects at a time.

B. Technical Monitoring

The Program/Project Leader shall submit periodic accomplishment reports to the Funding Agency through the Monitoring Agency. All reports must be duly endorsed by the Head of the Implementing Agency.

1. Submission of Technical Reports by the Implementing Agency to the Monitoring Agency
  - a. Regular semi-annual progress report using DOST Form 6-Semi-Annual Progress Report shall be submitted in two (2) hard copies and an electronic copy, within a month after the end of each semester;
  - b. Programs/projects with a one (1) year duration shall submit the terminal accomplishment report using DOST Form 15 in two (2) hard copies and an electronic copy, not later than two (2) months after project completion, together with DOST Form 12-List of Equipment Purchased;
  - c. It shall include a publishable or pre-print manuscript, if applicable;

- d. It shall also include evidence of intellectual property (IP) protection filing, whenever applicable;
  - e. Programs/projects with multi-year duration shall submit the annual technical report using DOST Form 7 in two (2) hard copies and an electronic copy, not later than two (2) months after each year of implementation, together with DOST Form 12-List of Equipment Purchased;
  - f. In case of a program, a consolidated annual program report shall be submitted in addition to the individual project reports; and
  - g. The Monitoring Agency shall report to the EXECOM, for its appropriate action, any failure of the Implementing Agency to submit reportorial documents.
2. Submission of Technical Reports by the Monitoring Agency to the Funding Agency
- a. The Funding/Monitoring Agency shall conduct periodic field monitoring to assess the progress of project implementation and help resolve problems, if any. An assessment report using DOST Form 10-Project Monitoring and Field Assessment Report shall be submitted semi-annually/annually together with the renewal documents (for ongoing projects) and terminal appraisal/assessment report using DOST Form 14 (for completed projects); and
  - b. The DOST appraisal/assessment report shall be submitted to the Funding Agency within one (1) month upon receipt of the acceptable terminal report.
3. Program/Project Extension
- a. Requests for extension of program/project shall be submitted together with the following documents:
    - i. Latest financial report;
    - ii. Proposed LIB;
    - iii. Gantt Chart of activities for the extension period;
    - iv. Technical report; and
    - v. Justification for extension
- Payment of honorarium shall not be allowed during the extension period.
- b. Requests for extension without additional funding shall be evaluated and approved by the Monitoring Agency, which shall inform the Funding Agency within two (2) weeks upon its approval. Those with additional funding requirements shall be evaluated and endorsed by the Monitoring Agency for approval of the Funding Agency.

- c. A program/project may be extended for a maximum of one (1) year beyond its original duration for multi-year project. No extension shall be allowed for project with less than one (1) year duration, except as determined during the progress/midterm review and in cases when reason for extension is due to force majeure.
- d. The request for extension should be submitted not later than three (3) months before the expected date of completion, except for extensions as a result of force majeure. Extension of a continuing project shall not be allowed unless it is on its terminal/last year of implementation. If request for extension involves the use of unexpended balance, financial report or statement of fund balances as of date of request should be submitted not later than one (1) month before the expected date of completion. (See Section X.B.3.a)
- e. A program/project can be given a maximum of only two (2) extensions but not to exceed a total of 12 months except for extensions as a result of force majeure. The request for second extension should be submitted one month before the completion date of first extension.

#### 4. Continuing Assistance and Additional Funding of Programs/Projects

- a. The request for continued funding of an ongoing or multi-year program/project shall be submitted to the Monitoring Agency not later than two (2) months before the end of the active period. The Monitoring Agency shall forward its recommendation to the DOST not later than one (1) month before the end of the active period. If approval has not been sought by the end of the active period, the program/project shall be automatically suspended. The implementing agency is not authorized to use the project funds during the suspension period.
- b. The request for continued funding shall be supported by the following documents:
  - i. Technical and financial reports that cover at least the last three (3) quarters of the implementation period
  - ii. Work Plan
  - iii. Proposed LIB (including cash program) for the succeeding year
  - iv. Duly signed list of inventory report of equipment
  - v. Property Acknowledgment Receipt (PAR)
  - vi. List of personnel involved (DOST Form 11)
  - vii. Endorsement and appraisal report from the Monitoring Agency following DOST Form 14
- c. In renewing multi-year programs/projects, the proposed budget for continued funding shall be based on the amount originally approved by the EXECOM. Renewal of a multi-year programs/projects that does not require additional funding or has no major changes in the title, objectives or expected outputs shall be approved by the DOST Secretary upon recommendation by the Undersecretary for R&D.

Any increase in funding shall require EXECOM approval.

5. Deferment/Suspension/Change in Implementation Date

- a. The Monitoring Agency shall review and approve the request for deferment/change in implementation date of a new program/project and shall inform the EXECOM of such change. For DOST-Central Office (DOST-CO) directed projects, the Monitoring Agency shall approve the requests. The project duration should not change.
- b. Projects with deferred implementation due to delay in the release of funds shall commence within two (2) months after the release of funds.
- c. Requests for deferment for start of implementation should be made at the latest within the first month after fund release.
- d. Requests to suspend the implementation of an ongoing project for a maximum of three (3) months shall be approved by the concerned Undersecretary as endorsed and recommended by the Monitoring Agency. The Monitoring Agency shall then report to the EXECOM the suspension, upon which, said EXECOM shall decide on the resumption, extension of suspension or cancelation of the project.

6. Change in Project Title/Objectives/Activities/Implementing Agency

Change in the project title and activities/work plan, which do not affect project deliverables shall be approved by the Monitoring Agency. Request for change of implementing agency, objectives, or activities that affect project deliverables shall be reviewed and endorsed by the Monitoring Agency for approval of the Funding Agency. In both cases, the Implementing Agency shall be required to submit justification for such change.

C. Financial Monitoring

The DOST-GIA funds released to implementing agencies shall be available for use within the approved project duration including approved extension subject to DOST approval and existing government accounting and auditing rules and regulations. The GIA funds shall not be used for money market placement, time deposit and other forms of investment not related to the project. Project funds shall be deposited in an authorized government depository bank.

1. Fund Releases

- a. The Funding Agency shall release the project funds to the Implementing/Monitoring Agencies in partial or full amounts, once DOST has received the signed MOA or conforme letter has been signed subject to availability of funds, accounting and auditing regulations, and bond requirements (if necessary).

- b. Implementing Agencies are encouraged to open an account in any government depository/servicing bank. Bank charges resulting from the fund transfer, if any, shall be borne by the project funds.
- c. Project implementation shall commence within two (2) months after the release of funds.
- d. Subsequent release of funds to continuing projects shall be subject to the submission of necessary financial reports, appropriate endorsement and other requirements as indicated in Section X.B.4 of these guidelines.

## 2. Budget Reprogramming and/or Modification

Disbursement of grants shall be in accordance with the approved LIB and subject to existing government accounting and auditing rules and procedures. If budget reprogramming is required, a request shall be made not later than two (2) months before the end of the project's current year of implementation. Budget reprogramming and/or modification may be allowed for not more than three (3) times per agency (implementing and monitoring) per year of implementation, including the approved extension, if any.

The request for reprogramming shall be supported by the following documents: request letter duly signed by the Head of Agency; endorsement/approval letter from the monitoring agency; latest financial report; work plan; and progress report (if additional funding and/or project extension is required). These documents shall be considered as the final program/project documents.

A revised LIB shall be issued to cover budget reprogramming, transfer of funds, reclassification of the position of the project personnel, and creation of expense item/s.

Any reprogramming or transfer of funds from one expense item to another shall be based on the LIB approved by the Funding Agency. The Funding/Monitoring Agency must be informed of the budget reprogramming including changes in the indirect cost made by the Monitoring/Implementing Agency. Otherwise, the reprogramming shall be deemed null and void.

The approving authorities of budget reprogramming shall be as follows:

### a. Implementing Agency

Any reprogramming/transfer of funds of existing expense item budget as originally approved by the Funding Agency to augment direct and indirect cost under PS and MOOE (except for Foreign Travel and Training Expenses), shall be approved by the Head of the Implementing Agency provided there is no change in the indirect cost. The CO shall not be reprogrammed. A copy of the approved reprogrammed LIB and other required documents shall be submitted to

the Monitoring Agency within two (2) weeks upon its approval for subsequent endorsement to the Funding Agency.

The approved reprogrammed item/s shall be reflected in the financial report/s to be submitted by the Implementing Agency (under "approved budget").

b. Monitoring Agency

The Monitoring Agency shall review and approve requests for budget reprogramming which does not require additional funding but are beyond the approving authority of the Implementing Agency. A copy of the approved LIB and other required documents shall be submitted to the Funding Agency within two (2) weeks upon its approval.

The Monitoring Agency shall approve budget reprogramming involving renaming and reclassification of expense items, and creation of new expense item/s (including increase in number of personnel and equipment) without additional funding, both under the direct and indirect costs with appropriate advice to the Funding Agency.

In approving requests for reprogramming, the Monitoring Agencies shall ensure that objectives and targets of the program/project shall not be affected. A copy of the approved reprogrammed LIB and other required documents shall be submitted to the Funding Agency within two (2) weeks upon its approval.

c. Funding Agency

The Funding Agency through the EXECOM shall approve budget reprogramming that entails creation of new expense item/s with additional funding, both under the direct and indirect costs, based on the recommendation of the Monitoring Agency.

3. Submission of Financial Report (FR)

- a. For monitoring purposes, the Implementing Agency shall submit to the Monitoring Agency the following documents within a month after each semester:
  - i. DOST Form 8-Semi-Annual/Annual Financial Report (FR) certified correct by the agency accountant and approved by the head of the implementing agency;
  - ii. Report of Checks Issued and Report of Disbursements certified correct by the Certified Public Accountant, approved by the Head of Implementing Agency (IA) and duly audited by the Auditor of the IA;
  - iii. DOST Form 12-List of Equipment Purchased (LEP) with corresponding Property Acknowledgement Report (PAR);

- iv. Journal Entry Voucher (JEV) related to the equipment purchased;
- v. DOST Form 9-Schedule of Accounts Payable; and
- vi. DOST Form 13-Report of Income/Interest Generated/Earned.

The FRs shall be itemized in accordance with the approved LIB.

The Monitoring Agency shall submit the above documents to the Funding Agency not later than one (1) month after receipt from the Implementing Agency.

- b. For program/project with multi-year duration, the Project Leader shall submit FR for grants received, certified correct by the agency accountant and duly approved by the Head of the Agency or its authorized representative within two (2) months after the end of each year of implementation.

For projects with CO, the FR shall be supported by the following documents:

- i. DOST Form 12- List of Equipment Purchased (LEP);
  - ii. Property Acknowledgement Receipt (PAR); and
  - iii. Journal Entry Voucher (JEV) relative to the equipment purchased
- c. For completed projects, the Terminal FR duly received by the Agency's Commission on Audit (COA) auditor shall be submitted within three (3) months after end of the project. The Monitoring Agency shall submit the Terminal FR to the Funding Agency not later than one (1) month after receipt from the Implementing Agency.

For NGOs or privately owned institutions, the following documents shall be submitted to the Monitoring Agency within three (3) months after end of the project:

- i. Terminal FR certified correct by its accountant and approved by its President/Chairman or its equivalent and verified by the accountant of the monitoring agency;
- ii. Fund utilization report indicating the summary of expenses duly certified correct by its accountant and approved by its President/Chairman or its equivalent and verified by the accountant of the monitoring agency;
- iii. DOST Form 12- List of Equipment Purchased (LEP) with corresponding Property Acknowledgement Receipt (PAR)
- iv. Pictures of implemented projects, as applicable;
- v. Inspection report and certificate of project completion issued by the Monitoring Agency; and
- vi. List of beneficiaries with their signatures signifying their acceptance/acknowledgment of the project/funds/goods/ services received, as applicable;

The Monitoring Agency shall submit the above documents to the Funding Agency not later than one (1) month after receipt from the Implementing Agency

Agency. The Funding Agency shall issue a Certificate of project completion upon endorsement of the Monitoring Agency.

The NGO/PO shall keep and maintain financial and accounting records of the funds granted by the Funding Agency in accordance with the Philippine Accounting Standards. The NGO/PO shall make available all records and documents, including disbursement vouchers relative to the utilization of the funds, to the Monitoring Agency, Funding Agency and COA Auditors.

4. Unexpended Balance (UB), Savings, Interest and Income

- a. The UB, savings, income and interest of a program/project, if any, shall be reported and included in the annual FR/AFR submitted to the Funding/Monitoring Agency.
- b. For continuing projects, the UB of the previous year shall be deducted from its total approved budget for the succeeding year unless DOST approves its use which shall cover catch-up plan/activities.

For multi-year projects, once the renewal of project is approved, the use of the UB to pay for the salaries of project personnel and critical items under MOOE necessary for continued operations is allowed. The expenditures shall be based on the LIB as presented and approved during the EXECOM meeting or as approved by the Undersecretary for R&D, in case the EXECOM approval is not required.

- c. Requests for additional funds and/or to use the UB/savings of completed/terminated/extended projects to pay for salaries and MOOE expenses shall be approved by the Funding Agency upon recommendation of the Monitoring Agency.
- d. Request to use the UB/savings for the extension period shall be submitted within one (1) month before the expected date of completion. It shall be supported with FR and valid justification to be used as basis in preparing a new or revised LIB.
- e. Upon project completion/termination, all balances/savings and income/interests earned shall be reported and reverted to Funding Agency within three (3) months after the end of project period together with the Terminal Financial Report.
- f. For the income generated from an ongoing project, the Implementing Agency may request for the use of the income from the Funding Agency, subject to applicable government rules. In no case shall the interests and income earned under a project be used to fund a new project not related to the original intent of the fund.
- g. For startups, all balances and savings shall be reported and reverted to Funding Agency while reported income may be used by the Implementing Agency, in line with the intent of the Innovative Startup Act (RA 11337).

Particular guidelines shall govern programs/projects which require refund mechanism, provided that they are not inconsistent with the existing DOST-GIA guidelines, which shall serve as reference.

#### 5. Non-Submission of Requirements

For failure to submit the required financial, technical and other reports within the prescribed deadlines, a demand letter shall be sent to the Project Leader and Head of Agency.

Upon the recommendation of the Monitoring Agency, the smallest unit of the Implementing Agency may be prevented from receiving further grants or any kind of support from any agency within the DOST System until he/she is cleared from all obligations pertinent to previous GIA grant received. For compelling reasons, subject to endorsement of the Monitoring Agency, the Project Leader shall submit an Oath of Undertaking to allow him/her to receive further grant or support.

The Funding Agency may undertake legal measures against the Head of the Implementing Agency for non-submission of requirements.

#### 6. Audit and Inspection

All DOST-GIA programs/projects shall be subject to audit by the COA resident auditor or its authorized representative.

The activities, operation, books of accounts and records of the project shall be subject to inspection by the authorized representative of the Funding Agency and its auditor, whenever necessary.

### **XI. HIRING OF PROJECT PERSONNEL/NATURE OF APPOINTMENT**

- A. The Program/Project Leader shall hire personnel on contract basis to work for the program/project in accordance with existing hiring policies of the Implementing Agency. The hired program/project personnel shall not be allowed to engage in activities other than those under the program/project during regular working hours. All contractual program/project personnel shall be bound to the rules on conflict of interest.
- B. The contract of service of program/project personnel shall be co-terminus with the program/project or to the specific work for which he/she was hired.
- C. Program/project personnel shall not be allowed to pursue any local/foreign fellowship/training grant nor travel abroad during the implementation of the project unless there is written approval from the Implementing Agency.
- D. The Project Leader shall submit to the Funding Agency a list of all personnel hired under the project, including their responsibilities, qualifications, and other relevant information using DOST Form 11.

Further, said contract shall clearly state that as per provision of said particular contract of project personnel, no employer-employee relationship shall exist between said individual and the Monitoring Agency and with the DOST.

- E. The grant of honoraria to Program/Project Leaders/Coordinators and other personnel shall be based on existing DOST guidelines on the grant of honoraria. (See Annex C). The list of project personnel receiving honoraria shall be submitted to the Funding/Monitoring Agency. No honorarium shall be given to the program/project leader/staff of a project under extension.
- F. If a Program/Project Leader transfers to another agency, the project shall remain with the Implementing Agency.
- G. A Program/Project Leader who intends to leave the project shall notify the Head of the Implementing Agency, who shall then submit to the Monitoring Agency the name of the recommended substitute for the outgoing Program/Project Leader. The criteria for selection of the new Program/Project Leader shall include track record on project management.

The outgoing Program/Project leader shall be relieved of his/her obligation to the program/project once the Head of the Implementing Agency has issued the appropriate clearance from all money, records and property responsibilities and accountabilities (e.g. submission of financial and technical reports).

The Monitoring Agency shall approve the designation of the replacement and inform the Funding Agency of the change in project leadership.

- H. The Funding Agency shall not provide additional compensation, benefits, pension or gratuity to any program/project personnel who retired or were laid off during or after completion/termination of the program/project.

## **XII. PURCHASE, OWNERSHIP AND ACCOUNTABILITY OF PROJECT EQUIPMENT**

Project equipment authorized to be purchased using GIA funds shall be used exclusively for the program/project.

- A. Purchase of Equipment--procurement of equipment using GIA funds shall be subject to the usual government procurement laws consistent with existing accounting and auditing laws, rules, and regulations.

Only equipment included and identified in the approved LIB shall be purchased using grant funds and shall be covered by Property Acknowledgement Receipt (PAR) or Inventory Custodian Slip (ICS) for semi-expendable equipment.

- B. Ownership of Equipment--The Funding Agency shall initially own all equipment purchased using grant funds until such are transferred to the Implementing Agency or other implementers. The ownership of equipment may be transferred to the Implementing Agency including private institutions, upon completion of the program/project as stipulated in the signed Memorandum of Agreement, subject

to existing government rules and regulations. The Funding Agency reserves the right to transfer ownership of such government equipment to government RDIs, HEIs or other private institutions through Property Transfer Reports (PTRs) or execution of Deed/s of Donation subject to existing government accounting and auditing laws, rules and regulations.

- C. Accountability for Equipment— the Program/Project Leader shall be primarily responsible for all equipment related to the program/project. He/she shall sign the corresponding Property Acknowledgement Receipt (PAR) and List of Equipment Purchased (LEP) attested by the Property Officer of his/her institution.

The Funding Agency shall issue Property Transfer Report (PTR)/Deed of Donation to the Implementing Agency upon written request after the project is completed. The Funding Agency reserves the right to retain the equipment in compliance with existing government rules and regulations.

If a Program/Project Leader transfers to another government office, retires, resigns, or is dismissed/separated from the service, the Implementing Agency must ensure that the Funding Agency is informed of such and that the Program/Project Leader has secured clearance from his/her Property and Supply Section. Clearance from financial and technical obligations to the project shall not be issued unless all properties related to the project are fully accounted for.

1. For Government Agencies - The Implementing Agency shall record the equipment purchased out of the project funds in accordance with Government Accounting Manual (GAM), the Commission on Audit (COA) Circular No. 2015-002 and other pertinent issuances.
  2. For private sectors/startups/NGOs/POs - The Implementing Agency shall submit to the Monitoring Agency copies of all documents related to the purchase of equipment (e.g. Invoices, Delivery Receipts and Official Receipts), List of Equipment Purchased (LEP) and Property Acknowledgement Receipt (PAR) within fifteen (15) days from the date of payment. The Monitoring Agency shall endorse the same documents within ten (10) days upon receipt to the Funding Agency.
- D. Record Keeping--the Property Officer of the Implementing and Funding Agency shall establish a complete and centralized file of records of all equipment procured through DOST-assisted programs/projects which shall include the following data:
1. Agency Name;
  2. Location of Equipment;
  3. Project Title;
  4. Current custodian or end-user accountable for the equipment;
  5. Equipment purchased with description/specification;
  6. Date of Acquisition;
  7. Property Number (to be provided by the Implementing Agency for Government Agencies and by Funding Agency for NGOs/POs); and
  8. Acquisition/actual cost.

The Property Officer of the Implementing and Funding Agency shall update the directory and records of equipment every year based on PAR and DOST Form 10-Project Monitoring and Field Evaluation Report submitted or PTR/Deed of Donation issued by the Funding Agency.

- E. Physical inventory of equipment--an actual inventory of equipment purchased through GIA projects shall be conducted by the Monitoring Agency. The DOST Form 10-Project Monitoring and Field Evaluation Report, which includes inventory of equipment, shall be accomplished and submitted to the Funding Agency on a semi-annual basis.

During the conduct of physical inventory, the Monitoring Agency shall perform the following:

1. Ensure that all equipment has the standard property sticker and/or tracking device provided by the Implementing Agency or Funding Agency;
  2. Determine the current physical condition whether usable, defective or beyond economic repair;
  3. Report all unserviceable equipment using the Inventory and Inspection Report of Unserviceable Property; and
  4. Recommend the disposition of unserviceable equipment pursuant to existing government rules and regulations.
- F. Care and location of equipment--the program/project leader shall ensure that the project equipment is housed in a suitable location and that funding shall be allotted as necessary for the proper care and maintenance of said equipment; and due diligence is observed.
- G. Repair or replacement of defective equipment--the Program/Project Leader shall be responsible for the immediate repair of defective equipment using available funds as provided in the approved LIB.
- H. Use of equipment--The Head of the Implementing Agency shall ensure maximum utilization of equipment purchased through GIA funds. Such information shall be used in the evaluation of new projects, especially those requiring the same equipment.
- I. Transfer of ownership of equipment without cost

To promote and encourage the conduct of R&D and establishment of innovative new businesses that foster an innovative entrepreneurial culture in the Philippines, the Funding Agency allows the transfer of ownership of an equipment without cost to the Implementing Agency. Upon completion of the project, the Funding Agency may allow the transfer of ownership of an equipment without cost in favor of a particular institution/s which implemented the project subject to the following conditions:

1. The equipment granted to government institutions and private sectors shall be used in research and development, extension and education purposes or

activities. In the case of startups, the donated equipment shall be used similarly but not limited to pre-commercialization activities;

2. A PTR or execution of Deed of Donation shall be issued after submission of an inventory of equipment purchased, journal entry vouchers (JEVs) and Property Acknowledgment Receipts (PARs) and Financial Report. The PTR (three (3) original copies) shall be signed by the Implementing Agency before submission to the Funding Agency for approval. The respective Property Offices of the Funding Agency and Implementing Agency as receiving institution shall be provided with copies of the approved PTR/Deed of Donation;

Once transfer is effected, the receiving agency shall bear all expenses that may be incurred for repair, maintenance and/or improvement of the equipment;

3. The Implementing Agency shall enter in its books of accounts the itemized total book value of the equipment transferred while government institutions must do the same in accordance with GAM;

The Implementing Agency shall comply with the Property Insurance Law requiring all government entities to insure their properties with the Property Insurance Fund at its own expenses;

4. In the exigency of the service, the Funding Agency may borrow the transferred equipment, without charge, to be used in other GIA programs/projects subject to the concurrence of the Project Leader and Head of Implementing Agency; and
5. In the event that the project is terminated or implemented unsatisfactorily, the Funding Agency shall have the right to recover ownership and possession of the equipment from the Implementing Agency.

- J. Sharing of equipment - Equipment purchased through GIA programs/projects may be shared with other ongoing programs/projects subject to mutually acceptable and convenient arrangements between concerned parties, approval by the Funding Agency and the following conditions:

1. In no case shall any fee be charged for such use nor shall the equipment be leased/sub-leased without prior written approval of the Funding Agency;
2. The sharing of equipment shall be on an "as is, where is" basis, and all expenses for its repair, maintenance and/or improvement shall be borne by the receiving party;
3. The Implementing Agency shall ensure that proper technical assistance is given in the operation of the equipment; and
4. At the end of the term of the sharing agreement, the equipment shall be returned to the Funding Agency in good working condition. Any loss or damage to the same shall be borne by the receiving party.

- K. Unserviceable equipment—For government institutions, equipment purchased under DOST-GIA programs/projects that become unserviceable for any cause, or is no longer needed, divestment or disposal shall be transparent, and with the end in view that public funds and resources should be properly maximized and fully accounted for; further, it shall be governed by appropriate existing rules such as DBM Manual on the Disposal of Government Properties, s. 1992 and COA Circular 89-296, s. 1989.

### **XIII. OWNERSHIP, PROTECTION AND UTILIZATION OF PROGRAM/ PROJECT RESULTS/INTELLECTUAL PROPERTY RIGHTS**

Matters affecting intellectual properties or intellectual property rights such as their ownership, protection and utilization, technology disclosure, exclusivity of the license, use of commercialization, establishment of spin-off firms, technologies for research use and sharing of income and benefits from technology commercialization shall be governed by existing Philippine laws on Intellectual Property, including RA 10055, and DOST Rules and Policies on Intellectual Property.

Full acknowledgment shall be given to DOST in case the research results are published or presented in various fora, seminars, and meetings. Such presentation should not prejudice the proprietary/confidential nature of the information for purposes of IP protection.

### **XIV. DISCONTINUANCE OF GIA ASSISTANCE**

GIA assistance shall be discontinued for any violation of the Grant Agreement, such as fraud or falsity in Program/Project Leader's proposal, representation and warranties; when the results obtained do not justify further activity; or non-compliance or late submission of requirements by the Implementing Agency resulting in funds becoming unavailable. The Project Leader shall be notified at least forty-five (45) days before the date of termination.

### **XV. OTHER PROVISIONS**

All pertinent forms stated herein are hereby attached and made part of this Administrative Order (AO).

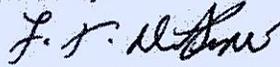
These guidelines may be supplemented with specific provisions by the Funding Agency, if necessary. In case of conflict with subsequent issuances of rules and regulations by other government agencies, the national government regulations will prevail until amendments are made on these guidelines.

The nullity/illegality of a portion of this AO does not render the entire guidelines as invalid.

**XVI. EFFECTIVITY**

This Administrative Order shall take effect fifteen (15) days after publication in the Official Gazette and upon filing at the University of the Philippines (UP)-Law Center.

Approved by:



**FORTUNATO T. DE LA PEÑA**  
Secretary



Republic of the Philippines

**DEPARTMENT OF SCIENCE AND TECHNOLOGY**



**MEMORANDUM**

**FOR** : **The Heads of DOST Councils**

**FROM** :   
**ROWENA CRISTINA L. GUEVARA, Ph.D.**  
Undersecretary for Research and Development

**SUBJECT** : **DOST Administrative Order (A.O.) No. 13, series of 2021 on Amendments to the DOST-GIA Guidelines**

**DATE** : 7 October 2021

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Relative to the issuance of DOST Administrative Order (A.O.) No. 13, series of 2021 (copy attached) which amends certain provisions of the DOST-GIA Guidelines, may we direct your attention on the following:

- 1) Item 5 which provides that the Monitoring Agency shall inform the Funding Agency of the approval of requests for change in implementation date of a new program/project due to late release of funds within one (1) month from the date of approval; and
- 2) Item 7 which provides that the Funding Agency must be informed of the budget reprogramming including changes in the indirect cost made by the Monitoring/Implementing Agency within one (1) month after said changes have been made.

Please take note that if the Funding Agency will not be notified of any change in implementation date or budget within the given timeline, such amendment/realignment shall be rendered null and void.

May we also inform you that A.O. No. 13, s. 2021 was published in the Official Gazette on October 4, 2021.

Thank you.



Republic of the Philippines

**DEPARTMENT OF SCIENCE AND TECHNOLOGY**



JAN 04 2022

20 December 2021

**MEMORANDUM**

**TO :** All Heads of DOST Councils, Research and Development Institutes, S&T Service Institutes, Regional Offices, Collegial Bodies and DOST-CO Offices

**SUBJECT :** AMENDMENTS TO DOST ADMINISTRATIVE ORDER NO. 011, SERIES OF 2020, otherwise known as the “GUIDELINES FOR THE GRANTS-IN-AID (GIA) PROGRAM OF THE DEPARTMENT OF SCIENCE AND TECHNOLOGY (DOST) AND ITS AGENCIES”

Please find attached a copy of DOST A.O. No. 017 series of 2021, “AMENDMENTS TO THE DOST ADMINISTRATIVE ORDER NO. 011, SERIES OF 2020, otherwise known as the “GUIDELINES FOR THE GRANTS-IN-AID (GIA) PROGRAM OF THE DEPARTMENT OF SCIENCE AND TECHNOLOGY (DOST) AND ITS AGENCIES.”

The amendment was made to include the following: a) additional terms and their definitions and to revise definitions of some terms; b) additional eligibility requirements; c) requirement of a catch-up plan to lift project suspension; d) additional provision to prevent unnecessary purchase of equipment that is not in the original LIB; e) a provision to compel Implementing Agencies to submit FRs on time; and f) to clarify terms on transfer of ownership of equipment.

DOST A.O. No. 017, series of 2021 was published in the Official Gazette on 13 December 2021. It shall take effect 15 days after the publication and upon filing at the University of the Philippines (UP) – Law Center.

For your information and guidance.

**FORTUNATO T. DE LA PEÑA**  
Secretary

-SPB-71-01449



DOST Administrative Order No. 017  
Series of 2021

DEC 09 2021

**Subject: AMENDMENTS TO THE DOST ADMINISTRATIVE ORDER NO. 011, SERIES OF 2020, otherwise known as the "GUIDELINES FOR THE GRANTS-IN-AID (GIA) PROGRAM OF THE DEPARTMENT OF SCIENCE AND TECHNOLOGY (DOST) AND ITS AGENCIES"**

To update the existing GIA guidelines in line with recent directives of the DOST-Executive Committee (EXECOM), DOST Administrative Order No. 011, Series of 2020, is hereby amended to revise specific provisions as stated below:

**1. On Section IV. Definition of Terms** to define the following terms:

**Cleared project** – a completed project which the Implementing and Monitoring Agencies have satisfactorily complied with the reportorial requirements of and which has been issued a clearance by the Funding Agency;

**Completed Project** – a project whose project implementation period has ended;

**Continuing Project** – a project, mandated by law such as HRDP and NSTW, for which the funding agency provides continuing support for an indefinite period until it is given appropriations in the regular agency budget;

**Ongoing Project** – a project in its second or succeeding year of implementation based on approved duration and funding support;

An ongoing project may have the following status:

**Deferred Project** – project whose activities are temporarily ceased for a period of time due to force majeure and other meritorious cases as determined by the Monitoring Agency;

**Extended Project** – a project with approved additional number of months of implementation to complete its target deliverables with or without additional funding support;

**Suspended Project** – program/project with activities that have been temporarily ceased or suspended due to failure to secure approval of renewal of the project within the prescribed period;

**Terminated Project** – project whose implementation was discontinued due to reasonable causes, as endorsed by the Monitoring Agency and approved by the Funding Agency;

**New Project** – approved project in its first year of implementation;

SPD 21 - 01962

**Project End Date** – actual end date of program/project implementation;

**Project Start Date** – actual start date of program/project implementation.

2. **On Section VI. Eligibility Requirements** to include alignment with the Call for Proposals as part of the eligibility requirements and to read as:

The following are the program's eligibility requirements:

A. On the program/project proposal

The program/project proposal shall comply with the following eligibility requirements:

1. Alignment with and support of the Harmonized National R&D Agenda (HNRDA) and the Call; and
2. No duplication with completed and ongoing programs/projects.

This section shall also specifically include DOST S&T Fellows as part of the criteria for the Program/Project Leader as stated below:

C. On the Program/Project Leader

The following are the criteria for the Program/Project Leader:

3. must hold a permanent position or a regular position for private entity or must be a DOST S&T Fellow and not due to retire during the conduct of a program/project.

3. **On Section X.B.4 Continuing Assistance and Additional Funding of Programs/Projects** to require a catch-up plan for the lifting of project suspension under item c to read as:

c. Suspended projects shall provide a catch-up plan as a requisite for lifting the project suspension.

4. **On Section X.C.2 Budget Reprogramming and/or Modification** to include an additional provision to prevent unnecessary purchase of equipment, that is not in the original LIB, with the sole purpose of utilizing the funds. The provision shall read:

Reprogramming to purchase new/additional equipment during the terminal year and extension period shall not be allowed. Likewise, for projects with one-year duration, additional equipment shall not be allowed, except under meritorious cases as determined by the Monitoring Agency.

**5. On Section X.C.4 Unexpended Balance (UB), Savings, Interest and Income** to use the term “ongoing projects” instead of “continuing projects” as defined:

- b. For ongoing projects, the UB from the previous year shall be deducted from the total approved budget of the succeeding year. The carry-over of UB may be allowed subject to the recommendation of the Monitoring Agency and submission of the catch-up plan....

The section will also include the provision below to compel Implementing Agencies to submit FRs on time thus allowing processing of the fund release before the UB is used up:

- c. The UB can be used only within three (3) months after the end of the active period of the project while awaiting the submission of the annual financial and technical reports. Charging of expenses to the project funds shall no longer be allowed in case of failure to submit the required reports within the prescribed period except under highly meritorious cases as determined by the Monitoring Agency.

**6. On Section XII. Purchase, Ownership and Accountability of Project Equipment** to clarify that the transfer of ownership of equipment is upon project completion and clearance, as follows:

- B. Ownership of Equipment--The Funding Agency shall initially own all equipment purchased using grant funds until such are transferred to the Implementing Agency or other implementers. The ownership of equipment may be transferred to the Implementing Agency including private institutions, upon completion and clearance of the program/project as stipulated in the signed Memorandum of Agreement, subject to existing government rules and regulations. The Funding Agency reserves the right to transfer ownership of such government equipment to government RDIs, HEIs or other private institutions through Property Transfer Reports (PTRs) or execution of Deed/s of Donation subject to existing government accounting and auditing laws, rules and regulations.
- C. Accountability for Equipment— the Program/Project Leader shall be primarily responsible for all equipment related to the program/project. He/she shall sign the corresponding Property Acknowledgement Receipt (PAR) and List of Equipment Purchased (LEP) attested by the Property Officer of his/her institution.

The Funding Agency shall issue Property Transfer Report (PTR)/Deed of Donation to the Implementing Agency upon written request after the project is completed and cleared. The Funding Agency reserves the right to retain the equipment in compliance with existing government rules and regulations....

I. Transfer of ownership of equipment without cost

To promote and encourage the conduct of R&D and establishment of innovative new businesses that foster an innovative entrepreneurial culture in the Philippines, the Funding Agency allows the transfer of ownership of an equipment without

cost to the Implementing Agency. Upon completion and clearance of the project, the Funding Agency may allow the transfer of ownership of an equipment without cost in favor of a particular institution/s which implemented the project subject to the following conditions: ....

All other provisions of DOST A.O. No. 011, Series of 2020 and DOST A.O. No. 013, Series of 2021 shall remain the same.

This Administrative Order shall take effect fifteen (15) days after publication in the Official Gazette and upon filing at the University of the Philippines (UP) – Law Center.



**FORTUNATO T. DE LA PEÑA**  
Secretary