

Republic of the Philippines

DEPARTMENT OF SCIENCE AND TECHNOLOGY

08 January 2013

APR 23 2013

MEMORANDUM

To : All Heads of DOST Regional Offices and CO Units/Sectoral Councils/Research and Service Institutes/Attached Agencies/Collegial Bodies


Subject: Amending Administrative Order Nos. 006 Series 2004 and 004 Series of 2008, Guidelines for the Grants-In-Aid Funds of Department of Science and Technology and Its Agencies

Attached is a copy of DOST A.O. No. **005**, series of 2013, "Amending Administrative Order Nos. 006 Series 2004 and 004 Series of 2008, Guidelines for the Grants-In-Aid Funds of Department of Science and Technology and Its Agencies". The old DOST-GIA guidelines were revised in order to: a) streamline procedures to be more relevant and responsive to the proponents; b) update provisions in line with DOST- EXECOM directives; c) increase approving authority of Monitoring Agencies; and d) make it consistent with the Philippine Technology Transfer Act of 2009.

The new guidelines which cover both ongoing and new projects shall take effect immediately. This order supersedes DOST A.O. Nos. S. 2004 and 004, s. 2008 and all other issuances inconsistent herewith.

For your information and guidance.

Very truly yours,




MARIO G. MONTEJO
Secretary

Philippine Council for Industry, Energy and Emerging
Technology Research and Development



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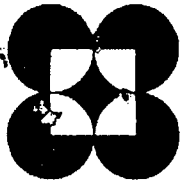


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Republic of the Philippines

DEPARTMENT OF SCIENCE AND TECHNOLOGY

APR 23 2013

Administrative Order No. 005
Series of 2013

Subject: AMENDING ADMINISTRATIVE ORDER NO. 006 S. 2004
and 004 S. 2008, GUIDELINES FOR THE GRANTS-IN-AID
FUNDS OF DEPARTMENT OF SCIENCE AND
TECHNOLOGY AND ITS AGENCIES

1. PURPOSE OF GRANT

The Department of Science and Technology's Grants-In-Aid (GIA) program aims to harness the country's scientific and technological capabilities to spur and attain a sustainable economic growth and development. Through the funding of relevant science and technology (S&T) undertakings, the GIA program is designed to contribute to productivity improvement and quality of life of Filipinos by generating and promoting appropriate technologies. It also aims to strengthen the participation of various S&T sectors particularly in research and development (R&D), promotion, technology transfer and utilization, human resources 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).

2. DEFINITION OF TERMS

The terms herein used shall mean as follows:

- 2.1 Completion Date--refers to expiration date of a grant after which expenditures may not be charged against the grant, except to meet obligations to pay allowable project costs committed on or before the expiration date.
- 2.2 Continuing Project--refers to a project where funding agency agrees to provide support for an initial specified time with a statement of intent to provide support/budget for succeeding year, provided that funds are available and achieved results justify further support.
- 2.3 Cooperating Agency--refers to the agency that supports the project by participating in its implementation as collaborator, co-grantor, committed adopter of resulting technology, or potential investor in technology development.

- 2.4 Coordinating/Monitoring Agency--refers to the agency that reviews the project proposal and provides technical assistance to the implementing agency. It shall evaluate the feasibility of the project/program and ensure that implementation follows the approved project proposal, line-item budget, and Memorandum of Agreements.
- 2.5 Department of Science and Technology (DOST)--refers to DOST singly, or any or all its attached agencies.
- 2.6 Direct Cost--refers to expenses incurred by the implementing agency in the execution of program/project considered indispensable to its operations.
- 2.7 Funding Agency--refers to DOST and all its grant-giving units where funds/grants come from.
- 2.8 Grants-In-Aid (GIA)--refers to funds allocated to programs/projects by the DOST and all its grant-giving units, including its Regional Offices and Sectoral Councils.
- 2.9 Implementing Agency--refers to the primary agency involved in the execution of program/project. The Implementing Agency shall exert all necessary efforts to attain the objectives specified in the approved project proposal.
- 2.10 Income from GIA projects supported by DOST and all grant-giving units, may include but shall not be limited to:
- a. Royalty payments and other intellectual property rights remuneration received from results/products, processes, and technology systems arising from a program/project;
 - b. Rental fees, management fees, and related types of remuneration received from the use of equipment/facilities funded by GIA Program;
 - c. Sale of produce and other products, services, and publications developed from project activities; and
 - d. Training fees (net of expenses) collected from training packages developed from the program/project activities.
- 2.11 Indirect Cost--refers to overhead expenses incurred by the implementing or monitoring agency in managing, evaluation, and monitoring of the program/project. The administrative and project management costs shall be under this classification.
- 2.12 Interest--refers 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.



- 2.13 Line-Item Budget (LIB)--refers to detailed breakdown of financial assistance requested and reflects counterpart of Implementing Agency and other agencies cooperating in the project.
- 2.14 Multi-Year Program/Project--refers to a program/project exceeding one (1) year project duration.
- 2.15 Program--refers to 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.
- 2.16 Program Leader--refers to the person who plans, organizes and supervises the overall activities of a program and is directly responsible for the implementation of at least one (1) of the projects under a program. He/she shall coordinate with the project leaders to ensure that the goals of the projects and program are attained. He/she shall also consolidate the projects' output, which shall be packaged as a program output.
- 2.17 Project--refers to the basic unit in the investigation of specific S&T problem/s with predetermined objective(s) to be accomplished within a specific time frame.
- 2.18 Project Duration--refers to the grant period or timeframe that covers the approved start and completion dates of the project.
- 2.19 Project Leader--refers to a project's principal researcher/implementer.
- 2.20 Project Proposal--refers to the plan and description of S&T project developed by a proponent 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.
- 2.21 Proponent--refers to person, private entity or agency that prepares and submits project proposals for DOST approval and assistance.
- 2.22 Science and Technology (S&T)--refers to 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.
- 2.23 Termination Date--refers to the date project implementation was stopped completion due to reasonable causes.
- 2.24 Unexpended Balance or Savings--refers to the outstanding balance from the previous approved allotment after project has been completed/terminated/extended.

3. CLASSIFICATION OF S&T PROGRAMS/PROJECTS FUNDED

3.1 GENERATION OF KNOWLEDGE AND TECHNOLOGIES

An important source of new knowledge and technologies is research and development (R&D). Research and development is defined as comprising 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:

- 3.1.1 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 basic 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.
- 3.1.2 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.
- 3.1.3 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.
- 3.1.4 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 commercialization of the process/product and design of equipment.

3.2. DIFFUSION OF KNOWLEDGE AND TECHNOLOGIES

Technology diffusion is defined as 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:

- 3.2.1 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.
- 3.2.2 Technology Receptor Capacity Building--are those activities that are essentially designed to enhance the capacity of firms, particularly the



SMEs, 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.

- 3.2.3 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 shall be 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 would 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--these are activities that will 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.

3.3 DEVELOPMENT OF HUMAN RESOURCES 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, elementary to university level, 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 such as:

3.3.1 International, national, and local S&T workshops/seminars/meetings/symposia/conferences

3.3.2 International, national, and local S&T competitions/quizzes/Olympiads

3.4 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:

3.4.1 Improving/upgrading the testing, measurement and calibration services of government laboratories and facilities;

3.4.2 Development of information resources/databases and general purpose data collection to record natural, biological or social phenomena that are of general public interest;

3.4.3 Testing and calibration services of R&D institutes and other DOST regional offices;

3.4.4 S&T regulatory and licensing work like PNRI's nuclear regulation and licensing policy related such as those made by the DOST Central Office;



3.4.5 Publications/bookwriting on S&T including subsidy/grant to science and technology journals;

3.4.6 S&T policy development including secretariat services and management support to S&T programs and projects; and

3.4.7 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).

4. SELECTION CRITERIA

4.1 Eligibility of Proponent

4.1.1 Any Filipino, public or private, entity with proven competence may apply for GIA support of DOST and its grant-giving units, provided that projects are for the benefit of Filipinos.

4.1.2 The eligibility of project proponents shall be determined by the DOST agency concerned based on his/her readiness in terms of technical, managerial, financial and marketing capabilities (if necessary). As such the proponent shall submit documents/proof of the following: credentials/proof of capability, track record, and endorsement of his/her institution. R&D program/project leader shall possess, at least, a Masters degree in a relevant field.

4.1.3 Preference shall be given to DOST-accredited science foundations and members of the DOST network and its agencies

4.1.4 Proponents with no previous accountabilities with DOST.

4.2 Application Requirements

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

4.2.1 Complete proposal following the DOST format:

- a. S&T Promotion and Linkages: DOST Form No. 1
- b. R&D Programs/Projects: DOST Form Nos. 2A, 2B, 2B-1, 2B-2, and 2B-3
- c. Technology Transfer and Related Projects: DOST Form Nos. 2C (SET-UP) and 2D (TECHNICOM)

4.2.2 Detailed breakdown of the required fund assistance to indicate the counterpart of the proponent's institution and other fund sources including letter/s of commitment from the implementing, collaborating and coordinating agency/ies (See Section 5- LIB Preparation);

4.2.3 Monthly Cash Program of the fund requested;

4.2.4 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;

4.2.5 Curriculum Vitae of Project Leader and other co-researchers/implementers;

4.2.6 Approval from the institution's ethics review board for research involving human subjects or from an institutional animal care and use committee for animal subjects (if applicable);

4.2.7 Clearance from National Committee on Biosafety of the Philippines for proposals with biosafety implications (if applicable); and

4.2.8 For the private sector/non-government organizations:



- a. Securities and Exchange Commission (SEC) registration, documents of incorporation and other related legal documents
- b. Surety Bond Application Form (if applicable)
- c. Copy of Income Tax Return
- d. Co-signers Statement (if applicable)

4.3 General Criteria

Priority funding shall be given to programs/projects aligned to government's priority thrusts strategic to national development. The project proposals shall be evaluated using the Agencies' existing project mechanism based on their specific criteria or any of the following:

4.3.1 For research and development, and research capability building

- 4.3.1.1 Capacity of the Proponent--competence and commitment to undertake the project based on experience/training and track record;
- 4.3.1.2 Scientific Merit--sound scientific basis to generate new knowledge or to apply existing knowledge in an innovative manner;
- 4.3.1.3 Technical and Financial Feasibility--tenability of the undertaking both technically and financially;
- 4.3.1.4 Methodology/Strategies for Implementation--state the procedures involved, the materials used, sampling procedures, statistical analysis, and others including scope and limitations, time (seasonality) and place of study;
- 4.3.1.5 Potential Socio-Economic Impact--effect of the project to create/provide employment, increase income and address any current/pressing national problem, among others;
- 4.3.1.6 Potential Environmental Impact--the project should not have a significant adverse effect on the environment and/or public health;
- 4.3.1.7 Cultural Sensitivity--adaptability and acceptability of the project to Philippine culture and tradition;
- 4.3.1.8 Reasonable Timeframe--duration of the project and its activities should be consistent with the nature and complexity of the proposed activity;
- 4.3.1.9 Potential Techno-takers as Partners--whenever possible identify the potential adopter/s of the technology to be developed;

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- 4.3.1.10 Plans for Research Utilization--proposal should include plans on how R&D results will be used by the potential end-user/s or adopters; and
- 4.3.1.11 Institutional Capacity--ability of the institution to implement the project with their existing and proposed facilities
- 4.3.2 For diffusion and transfer of knowledge and technologies and other related technology transfer activities
 - 4.3.2.1 Conformity or Alignment to Priority Sectors--the project should support and promote identified sectors /areas of DOST;
 - 4.3.2.2 Technology Readiness for Commercialization--transferability of technology to be promoted to include equipment/engineering support, and process/system ;
 - 4.3.2.3 Technical Viability--workability of technology including complementary and auxiliary support systems;
 - 4.3.2.4 Potential Market--level of existing demand and its potential to expand and explore new markets for the resulting product/process/service;
 - 4.3.2.5 Financial Sustainability/Viability--program/project should become self-sustaining after a reasonable start-up period;
 - 4.3.2.6 Potential Socio-Economic Impact--the project to create/provide employment, increase income and address any current/pressing national problem; and
 - 4.3.2.7 Environmental Impact--the project should not have adverse effect on the environment and health
- 4.3.3 For provision of quality S&T services including promotion of science and technology and other related services such as advocacy, information dissemination, and linkages
 - 4.3.3.1 Relevance--meets the needs of industry, government, academe, and general public;
 - 4.3.3.2 Youth Orientedness--geared towards developing S&T consciousness and interest to be involved in S&T undertakings among the youth;
 - 4.3.3.3 Contribution to Development of a Science Culture--commitment to nurture the public's interest in S&T; and

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4.3.3.4 Timeliness--responsive to present issues of national, regional, and local S&T concerns

5. PROPOSAL PREPARATION, SUBMISSION, REVIEW, AND APPROVAL

5.1 Detailed Proposal and Work Plan

The proponent shall prepare a detailed proposal using the prescribed DOST form that presents among others the following:

- a. Title of proposed program/project
- b. Information about the proponent
- c. Significance and objectives of the project
- d. Review of related literature
- e. Theoretical framework,
- f. Methodology/strategies for implementation
- g. Expected output
- h. Target beneficiaries
- i. Personnel and financial requirement
- j. Duration
- k. Work plan or Gantt Chart

5.2 LIB Preparation

The grant shall finance project expenditures itemized in an approved LIB following the DOST Form No. 2B-2. The grant may cover partial or full cost of the project, both direct and indirect costs of personal services, maintenance and other operating expenses, and equipment outlay except capital outlay such as buildings and other structures. All expenditure items in the LIB shall be in accordance with the New Government Accounting System (NGAS), relevant provisions are shown below:

5.2.1 Direct Cost

The direct cost is expenses incurred by the implementing agency in execution of program/project considered indispensable to its operations. It can be broken down according to specific accounts under Personal Services (PS), Maintenance and Other Operating Expenses (MOOE), and Equipment Outlay (EO).

a. PS

- a.1 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.
- a.2 Payment of salaries and honoraria out of DOST-GIA funds shall be authorized provided it is reflected in the approved LIB following the DOST prescribed rates and other existing applicable or relevant guidelines, circulars, or order of

competent authority pursuant to law and implementing rules and regulations. .

- a.3 DOST Council Heads/Agency Heads shall not be entitled to payment of honoraria or any form of additional compensation or remuneration. However, payment of honoraria to them maybe allowed provided it is covered in the LIB and approved by the DOST Secretary through a Special Order (SO).

b. MOOE

MOOE shall be broken down/itemized as follows:

- b.1 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 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 Funding Agency upon endorsement of the Monitoring Agency. A travel report shall be required;

- b.2 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;
- b.3 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;
- b.4 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;

- b.5 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;
- b.6 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, text books/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, gasoline, and oil;
- b.7 Utilities (i.e. Water, Illumination and Power Services)-- include costs of water, electricity or gas for illumination and cooking gas expenses consumed by the implementing agency in connection with the project;
- b.8 Training and Scholarship Expenses--include training fees and other expenses, and scholarship expenses such as tuition fees, stipends, book allowance, and other benefits;
- b.9 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;
- b.10 Printing and Binding Expense--include costs of producing, printing, and binding materials such as books, reports, catalogues, documents, and other reading materials;
- b.11 Rent Expenses--rental fees for the use of facilities, equipment, and vehicles;
- b.12 Representation Expenses--include costs of meal/food for the conduct of workshops/meetings, conferences, and other official functions related to the project;
- b.13 Subscription Expenses--include costs of subscription to library materials, such as magazines, periodicals, and other reading materials;
- b.14 Survey Expenses--include costs incurred in the conduct of survey related to the project;

- b.15 Professional Services--include costs of services such as legal, auditing, consultancy, environment/sanitary, general, janitorial, security, and other professional services;
- b.16 Taxes, Insurance Premiums and other Fees-- include costs of taxes, duties and licenses, fidelity bond premiums, and insurance expenses of equipment acquired under the project; and
- b.17 Other Maintenance and Operating Expenses--additional items not included above such as cost of submission of scientific paper for peer reviewed journals.

c. Equipment Outlay

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 8 --Purchase, Ownership, and Accountability of Equipment and other Properties of this Guidelines. Any equipment worth P50,000.00 (unit cost) and below shall be the counterpart of the implementing agency except under meritorious cases upon recommendation of the Monitoring Agency.

5.2.2 Indirect Cost

These are overhead expenses incurred by the Implementing Agency or Monitoring Agency in managing, 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 and MOOE.

- 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, and 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 but not to exceed P200,000.00 unless allowed by the Funding Agency except for the Monitoring Agency depending on the scope, complexity and geographic coverage.

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- c. PS and MOOE include indirect cost incurred by the Implementing Agency for utilities/maintenance expenses, supplies and materials, and printing/publication. Likewise, it also covers the expenses incurred by the Coordinating/Monitoring Agency in managing the program/project, which is limited to communication services, transportation and delivery services, traveling expenses, utilities, supplies and materials, representation expenses, professional services and equipment outlay.
- d. No funds coming from the Funding Agency shall be used to pay indirect costs incurred by the same agency.
- e. 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 upon endorsement of the Monitoring Agency.

5.3 Project Proposal Flow/Approval/Release of Funds *

- 5.3.1 The proponent shall submit his/her proposal duly endorsed by the Agency Head to any of the following DOST offices:
 - a. Office of the Secretary (OSEC)
 - b. Office of the Undersecretary concerned (Undersecretary for R&D, S&T Services or Regional Operations)
 - c. The appropriate S&T Council/Agency or Regional Offices

The DOST concerned shall acknowledge submission and update the proponent of any action taken on submitted proposal.

- 5.3.2 The project proposals shall be evaluated through an established project review mechanism. Endorsement of the appropriate Sectoral Council/ DOST agency to monitor the project shall be required.
- 5.3.3 All new projects to be funded under the DOST-GIA Program shall be approved by the DOST Executive Committee (EXECOM) except for projects amounting to P2,000,000.00 and below which may be approved by the Undersecretary concerned. The DOST-EXECOM shall be informed of any approval made by the Undersecretary concerned.
- 5.3.4 Upon approval of the proposal, a Memorandum of Agreement (MOA) or Memorandum of Instruction (MOI) shall be issued by the Special Projects Division (SPD) - Office of the Undersecretary for R&D. For continuing projects, a conforme letter shall suffice (See Annex B-MOAs/MOI/Conforme Letter Formats). The DOST Secretary shall sign all documents pertinent to the approved project amounting to P10,000,000.00 or more while the documents of those projects receiving less may be signed by the Undersecretary concerned.

* This section apply only for DOST-GIA funded programs/projects




6 GRANT ADMINISTRATION *

6.1 Roles of the Concerned Institutions/Offices/Staff

6.1.1 The SPD shall oversee the implementation of all approved DOST-GIA projects:

- a. Act as the Secretariat to the DOST-GIA Executive Committee.
- b. Ensure with the assistance of the designated Monitoring Agencies that grant conditions and policies concerning program/project implementation are strictly followed.

The SPD shall provide all concerned Offices with all pertinent documents related to the approved programs/projects for proper documentation and coordination/monitoring.

6.1.2 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, review reports submitted and ensure that completed R&D projects produce (patentable and publishable accomplishments) including pre-print manuscript for publication in scientific journals most preferably those accredited by the Institute for Scientific Information (ISI).

The Monitoring Agency shall ensure that Intellectual Property (IP) protection is secured when warranted.

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

6.1.4 The Program/Project Leader provide technical leadership and directly implement the program/project. He/she shall 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. To ensure that Programs/Projects are effectively implemented, a Program Leader shall be allowed to handle only two (2) programs at a time while a Project Leader shall be allowed a maximum of only four (4) projects at a time.

6.1.5 The Project Staff shall undertake the actual day-to-day implementation of the S&T program/project; she/he shall be allowed to handle a maximum of only two (2) projects at a time.



6.2 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 Agency Head.

Submission of Technical Reports by the Implementing Agency to the Monitoring Agency

- 6.2.1 A regular semi-annual progress report using DOST Form No. 3A shall be submitted in two (2) hard copies and one electronic copy, within a month after the first semester.
- 6.2.2 A program/project with a one (1) year duration shall submit two (2) hard copies and 1 electronic copy, the terminal accomplishment report not later than two (2) months after project completion together with DOST Form No. 5 List of Equipment Purchased.

A Program/project with multi year duration shall submit in two (2) hard copies and 1 electronic copy, the annual technical report not later than two (2) months after each year of implementation together with DOST Form No. 5 List of Equipment Purchased.

In case of a program, a consolidated annual program report shall be submitted in addition to the individual project reports.

Submission of Technical Reports By the Monitoring Agency to the Funding Agency

- 6.2.3 The Funding/Monitoring Agency shall conduct periodic field evaluation to monitor progress of project implementation and help resolve problems, if any. An evaluation report using the following DOST Forms shall be submitted:
- DOST Form No. 3C-1 Project Monitoring and Field Evaluation Report for Ongoing R&D Projects; and
 - DOST Form No. 3C-2 Project Monitoring and Field Evaluation Report for Completed R&D Projects
- 6.2.4 Upon completion of the program/project, a technical terminal report shall be submitted in two (2) hard copies and one (1) electronic copy, not later than three (3) months after completion. It shall include the pre-print manuscript and information on patentable invention, if applicable using the following DOST forms:
- DOST Form No. 9A-1 Guidelines for Preparing R&D Terminal Report;
 - DOST Form No. 9A-1a Outline for Preparing DOST-GIA Project Terminal Report;

- c. DOST Form No. 9A-2 Guidelines for Preparing Publishable Report/Article; and
- d. Request for Equipment Transfer

6.2.5 The DOST appraisal/assessment report Form B shall be submitted to the Funding Agency within one (1) month of receipt of the acceptable terminal report.

Program/Project Extension

- 6.2.6 Requests for extension of program/project shall be submitted together with the following documents:
- a. Latest financial report
 - b. Proposed LIB
 - c. Gantt Chart of activities for the extension period
 - d. Technical report
 - e. Justification for extension

Payment of honorarium shall not be allowed during the extension period.

6.2.7 Requests for extension without additional funding shall be evaluated and approved by the Monitoring Agency. Those with additional funding shall be evaluated and endorsed by the Monitoring Agency for approval of the Funding Agency. The Monitoring Agency shall submit to the DOST-EXECOM a quarterly report of projects approved for extension.

6.2.8 A program/project may be extended for a maximum of one year beyond its original duration unless allowed by the Funding/Monitoring Agency under very meritorious cases.

6.2.9 Extension of a continuing project shall not be allowed unless it is on its terminal/last year of implementation. The request for extension should be submitted three (3) months before the expected date of completion.

6.2.10 A program/project can be given a maximum of only two (2) extensions unless otherwise allowed by the DOST-EXECOM under meritorious circumstances.

Continuing Assistance and Additional Funding of Programs/Projects

6.2.11 The request for continued funding of an ongoing or multi-year program/project shall be submitted to the Monitoring Agency not later than (2) months before the end of the active period. The Monitoring Agency shall forward its recommendation to the DOST not later than one 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

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implementing agency is not authorized to use the project funds during the suspension period.

- 6.2.12 The request for continued funding shall be supported by the following:
- a. Technical and financial reports that covers at least the three (3) quarters of the period covered
 - b. Work Plan
 - c. Proposed LIB (including cash program) for the succeeding year
 - d. Duly signed list of inventory report of equipment
 - e. Acknowledgement receipts of equipment (ARE)
 - f. List of personnel involved
 - g. Endorsement of the Monitoring Agency with an appraisal report (DOST Form 3D-1)
- 6.2.13 In renewing multi-year programs/projects, the proposed budget for continued funding shall be based on the amount originally approved by the DOST-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 concerned.

Any increase in funding shall require DOST-EXECOM approval.

Deferment/Suspension/Change in Implementation Date

- 6.2.14 The Monitoring Agency shall review and approve the request for deferment/change in implementation date of a new program/project and shall inform the DOST-EXECOM of such change. For DOST-Central Office (DOST-CO) directed projects, the concerned Undersecretary shall approve the requests for reprogramming.
- 6.2.15 The revised project duration shall have the same length as the originally approved duration.
- 6.2.16 Projects that deferred implementation due to delay in the release of funds shall resume within three (3) months after the release of funds. The request for deferment should be made two (2) months after fund release at the latest.
- 6.2.17 Requests to suspend the implementation of an ongoing project shall be approved by the concerned Undersecretary/Monitoring Agency upon submission of valid justification. Suspended projects shall resume implementation within three (3) months after the suspension. Suspension of more than three (3) months may be allowed by the Funding Agency under very meritorious circumstances.

Change in Project Title/Objectives/Activities/Implementing Agency



6.2.18 Request for change of implementing agency or objectives, shall be reviewed and endorsed by the Monitoring Agency for approval of the Funding Agency. The Implementing Agency shall be required to submit justification for such change. Change in the project title and activities/work plan/Gantt chart shall be approved by the Monitoring Agency.

6.3 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.

6.3.1 Fund Releases

- a. The Funding Agency shall release the project funds to the Implementing Agency in partial or full amounts, once the MOA/MOI or conforme letter has been signed subject to availability of funds, accounting and auditing regulations, and bond requirements (if necessary).
- b. Project implementation shall commence within three (3) months after the release of funds. Otherwise, the fund and interest/earnings shall be reverted to the Funding Agency unless there is a valid justification submitted by the Monitoring Agency which is approved by the Funding Agency.
- c. 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 6.2.11 to 13 of this guidelines.

6.3.2 Budget Reprogramming or Realignment/Creation of Expense Items

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. A program/project may have a maximum of three (3) budget reprogramming's during each year of implementation (including the approved extension). The Funding Agency may allow additional reprogramming only in meritorious circumstances.

The request for reprogramming shall be supported by the following documents:



- a. Request letter duly signed by the Agency Head;
- b. Endorsement/approval letter from the monitoring agency ;
- c. Latest financial report;
- d. Work plan; and
- e. 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:

- a. Budget realignment
- b. Transfer of funds
- c. Reclassification of the position of the project personnel
- d. Creation of expense item/s

Any realignment 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 realignment 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 realignment shall be as follows:

a. Implementing Agency

Realignment/transfer of funds within 33% of existing expense item budget as originally approved by the Funding Agency to augment direct and indirect cost under PS, MOOE, and EO shall be approved by the Implementing Agency provided that it will not exceed the 7.5% ceiling for indirect cost. The Monitoring and Funding Agencies shall be informed of such reprogramming.

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

b. Monitoring Agency (The Undersecretary concerned in the case of DOST-CO-directed projects)

1. The Monitoring Agency shall review and approve requests for budget realignment 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.
2. The Monitoring Agency shall approve budget realignment involving creation of new expense item/s without additional




funding, both under the direct and indirect costs with appropriate advice to the Funding Agency.

3. In approving requests for reprogramming, the Monitoring Agencies shall ensure that objectives and targets of the program/project shall not be affected.

c. Funding Agency

The Funding Agency through the DOST-EXECOM shall approve budget realignment 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.

6.3.3 Submission of Financial Reports (FR)

- 6.3.3.1 For monitoring purposes, the Implementing Agency shall submit to the Monitoring Agency a FR certified correct by the agency accountant a month after each semester depending on the nature of the project. If applicable, the following requirements shall be submitted:
 - a. DOST Form No. 4 Semi-Annual/Annual FR;
 - b. DOST Form No. 7 Report of Income/Interest Generated/
Earned
 - c. DOST Form No. 8 Schedule of Accounts Payable

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

- 6.3.3.2 For program/project with multi year duration, the Project Leader shall submit FR for grants received, duly noted by the Head of the Agency or its authorized representative and certified by the agency accountant within two (2) months after the end of each year of implementation. For NGOs or privately owned institutions, an annual Audited Financial Report (AFR) shall be submitted duly certified by a licensed independent accountant together with an Audit Certificate/Report.

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

- a. DOST Form No. 6 List of Equipment Purchased
- b. Acknowledgement Receipts for Equipments

- 6.3.3.3 A Terminal AFR (DOST Form No. 9B) shall be submitted to the Monitoring Agency within three (3) months after the completion of the project. The Monitoring Agency shall submit the AFR not later than one month after receipt from the Implementing Agency.

6.3.4 Unexpended Balance (UB) and Savings/Interest/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 current year unless the Funding Agency approves its use under meritorious cases. Otherwise, it shall be reverted to the Funding Agency.

For multi-year projects, the Funding Agency may allow the use of the unexpended balance to pay for the salaries of existing project staff, and provide for MOOE in case of delay in the release of project funds.

Requests for additional funds and/or to use the UB/savings/income 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.

The use of UB/savings/income may be permitted to enable the program/project to:

1. Continue its operation;
 2. Acquire R&D equipment, and publications deemed critical to the attainment of the set objectives; and
 3. Undertake other related activities as may be authorized by DOST and its grant-giving units.
- c. Request to use the UB/savings/income to continue project implementation shall be submitted within in 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.
- d. 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.
- e. The UB/savings of completed or terminated project can be used for other DOST-approved projects of the concerned agency upon approval of the Funding Agency and provided the two-year fund effectivity has not lapsed.
- f. 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.

Income derived from business activities as a result of the project shall be used to fund/augment additional and/or existing projects related thereto upon approval of the Funding Agency.

Use of interest/income earned out of deposit from any bank shall follow government existing rules and regulations.

6.3.5 Refund Mechanism

For any S&T intervention assistance provided to firms/communities to help them acquire materials/equipment that are necessary to upgrade/improve their products and/or processes, (such as the Small Enterprise Technology Upgrading Program (SETUP)) the following conditions shall be followed:

- a. The DOST and the Monitoring Agency shall ensure that funds are used to purchase or fabricate materials/equipment as indicated in the approved LIB. Otherwise, the amount provided for such purpose shall be refunded to the Funding Agency with 12% penalty charge per annum especially if the project was prematurely terminated or the funds were not used as originally intended.

A project beneficiary shall be required to post a surety bond which shall be considered as his/her counterpart funds. If a beneficiary is unable to refund the total amount due to the Funding Agency, DOST shall pull-out the equipment procured under the project or collect other forms of payment. If it is not possible to get the equipment back, the DOST shall instigate legal proceedings in coordination with the insurance company concerned.

- b. The provision on refund of the cost of materials/equipment shall be stipulated in the MOA between the DOST and the beneficiary. Repayment shall commence six (6) months after the start of the project or not later than 12 months after the release of project funds. All refunds shall be fully paid within three (3) to five (5) years or earlier depending on the expected Return of Investment (ROI) of the project. The schedule of refund may be extended to a maximum of two (2) years upon approval of the Program Director of SETUP Program. Should refund start later than the agreed grace period but is within 18 months after the release of funds, a six percent (6%) penalty charge per annum shall be collected. If refund is not started after 18 months, the Funding Agency is authorized to demand full repayment of the financial assistance including accrued interests and charges. For arrears, a default charge of two percent (2%) per month shall be due on every installment.
- c. The Funding Agency shall own the acquired under the project until the refund has been paid fully and ownership has been transferred to the beneficiary.

- d. The beneficiary and the Monitoring Agency shall keep and maintain financial records in accordance with generally accepted accounting principles. The records shall be subject to visitorial audit and examination of the Funding Agency and Commission on Audit (COA).
- e. In case of failure or termination of project due to force majeure, the beneficiary may submit to COA a written request for condonation or conversion of the financial assistance into a grant. It shall then be subject to Section 26 of P.D. 1445 – Ordaining and Instituting a Government Auditing Code of the Philippines.
- f. The Funding Agency, Monitoring Agency and beneficiary shall agree on the terms and conditions for refund and the agreed upon terms and conditions shall be stipulated in the Memorandum of Instruction/Memorandum of Agreement (MOI/MOA).

6.3.6 Standard Procedure for Non-Submission of Requirements

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

Upon the recommendation of the Monitoring Agency, the Project Leader is prevented from receiving further grants or any kind of support from within the DOST System until he/she is cleared from all obligations pertinent to the previous GIA grant. The Funding Agency may instigate legal action against the Project Leader.

6.3.7 Audit and Inspection

- a. A program/project being implemented by a government institution shall be subject to audit by the COA resident auditor or its authorized representative. A program/project being implemented by a non-government agency, shall be audited by an independent Certified Public Accountant.
- b. 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.

7. HIRING OF PROJECT PERSONNEL/NATURE OF APPOINTMENT

- 7.1. 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.

- 7.2. 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.
- 7.3. Program/project personnel with co-terminus appointment shall not be allowed to pursue any local/foreign fellowship/training grant nor travel abroad during his/her employment unless there is written approval from the Implementing Agency.
- 7.4. The project proponent 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 No. 5.
- 7.5. 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.
- 7.6. If a Program/Project Leader transfers to another agency, the project shall remain with the Implementing Agency.
- 7.7. A Program/Project Leader who intends to leave the project shall notify the Agency Head of his/her plan. The Agency Head 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 inform the Funding Agency of the change in project leadership.

- 7.8. The Funding Agency is not obliged to 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.

8. PURCHASE, OWNERSHIP, AND ACCOUNTABILITY OF PROJECT EQUIPMENT AND OTHER PROPERTIES

Supplies, materials and other properties authorized to be purchased using GIA funds shall be used exclusively for the program/project. Equipment designed and fabricated using MOOE funds of the project shall be reported as equipment. Equipment procured under GIA-assisted projects are subject to the following guidelines:

- 8.1. Purchase of Supplies, Equipment and other Properties--procurement of goods using GIA funds shall be subject to the usual public bidding consistent with existing government accounting and auditing laws, rules, and regulations. Subject to prior approval of the head of the procuring entity or his duly authorized representative and under certain conditions, alternative methods of procurement as provided under Section 48.2 and 52 of the Revised IRR of RA 9184 and Item No. 2 of the Annex H attached thereto may be adopted in the purchase of amounting to P500,000.00 or below. In case a private entity is providing counterpart funds for the purchase of equipment under the program/project, the method of procurement of goods/equipment exceeding P500,000.00 shall be subject to the terms and conditions agreed by the Funding Agency and private entity as provided in the MOA.

Only equipment included and identified in the approved line-item budget shall be purchased using grant funds. Items purchased under equipment outlay as indicated in the approved LIB shall be classified as fixed assets and shall be covered by Acknowledgement Receipt for Equipment (ARE).

- 8.2. Accountability for Equipment--the Program/Project Leader shall be primarily responsible for all properties related to the project until the same are transferred/loaned to another entity upon project termination. The Program/Project Leader shall sign the corresponding ARE attested by the Property Officer of his/her institution and submit it together with copies of all purchase documents, to Funding Agency within 15 days from the date of delivery. The Funding Agency shall then provide the Agency Property Officer a list of equipment procured under the project together with copies of the corresponding AREs.

Upon transfer/loan of equipment, the Funding Agency shall issue clearance to the Program/Project Leader. The recipient/end-user shall be responsible directly to Program/Project Leader.

If a Program/Project Leader transfers to another government office, retires, resigns, or is dismissed/separated from the service, he/she shall be required to secure clearance from the Property and Supply Section of his/her institution as well as inform the Funding Agency. Clearance shall not be issued unless all properties related to the project are fully accounted for.

- 8.3. Ownership of Equipment--The Funding Agency shall own all equipment purchased through grant funds until such are transferred to other projects or implementing institution. Upon request, the ownership of equipment may be transferred subject to the approval from Funding Agency. The Funding Agency reserves the right to transfer ownership of such government

equipment through Invoice Receipt/s for Property (IRPs) or execution of Deed/s of Donation subject to existing government accounting and auditing laws, rules and regulations. (See Form- IRP) (Refer to section 8.13 regarding request for transfer of equipment after project completion).

- 8.4. Record Keeping--the Property Officer at the Funding Agency shall establish a complete and centralized file of records of all equipment procured through DOST-assisted programs/projects in collaboration with the technical, accounting and budget divisions, auditing office, and project leaders.

For GIA-funded projects in the DOST-Central Office, equipment purchased shall be recorded immediately in the books of accounts of the Office. If the Implementing Agency is from DOST agency/regional office or other government agency or LGU, equipment purchased shall be recorded in their books of accounts upon issuance of an IRP or execution of Deed of Donation. If the Implementing Agency is from NGO or private entity, equipment purchased shall be recorded in the books of accounts of either the DOST-Central Office, the Monitoring Agency or the nearest DOST regional office subject to the agreement of concerned parties upon transfer of equipment ownership and agreement among parties concerned.

- 8.5. Directory of Equipment--the Property Officer at the Funding Agency shall also, prepare a directory or master list of all equipment which shall include essential and relevant data such as the following:

- a. Agency Name
- b. Location of Equipment
- c. Project Title
- d. Current custodian or end-user accountable for the equipment
- e. Programmed Equipment
- f. Equipment purchased with individual description/specification
- g. Date of Acquisition
- h. Property Number
- i. Amount per LIB
- j. ARE serial no.
- k. Acquisition/actual cost
- l. Current physical condition whether usable, defective or beyond economic repair and disposition made pursuant to existing government rules and regulations

- 8.6. Physical inventory of equipment--an actual inventory of equipment purchased through GIA projects shall be conducted and reports shall be generated using the DOST Inventory Report Format and Form 4b-Field Evaluation Report. All equipment shall be labeled with the standard DOST sticker during the conduct of physical inventory.

- 8.7. Updating of equipment records--the Property Officer at the Funding Agency shall update the directory and records of equipment every year and check them against the results of physical inventory. A copy of the updated directory shall be provided to the project leaders, technical, and financial divisions/units concerned.



- 8.8. Care and location of equipment--the program/project leader shall ensure that the project equipment are housed in a suitable location and that proper care and maintenance are observed.
- 8.9. Sharing in the use 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. The laboratory or technical personnel operating such equipment may also be shared when warranted. However, no equipment shall be physically transferred without the written consent or approval of the program/project leader and without knowledge of the Funding Agency.
- 8.10. 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. If such funds are not sufficient or available, the project's savings may be used subject to approval of the Funding Agency.
- 8.11. Plans for the use of equipment--the Funding Agency shall determine which equipment purchased through GIA funds remain unused. Such information shall be used in the evaluation of new projects, especially those requiring the same equipment.
- 8.12. Preservation of unused equipment--subject to provisions 8.13 to 8.15 of this guidelines, the Funding Agency and concerned institution shall make arrangements for the proper custody of unused equipment until these are transferred or re-assigned to another project.
- 8.13. Transfer of ownership of equipment without cost--The Funding Agency may allow the transfer of ownership of an equipment under a completed/terminated project without cost in favor of other government agency (LGUs included) which have expressed interest to assume responsibility of such equipment, subject to the following conditions:
- a. The equipment shall be used in research and development projects, extension and education purposes or activities;
 - b. An IRP or execution of Deeds of Donation shall be issued after submission of an inventory of equipment purchased and AREs. The IRP (three (3) original copies) shall be signed by the Head of receiving agency before submission to the Funding Agency for approval. The respective Property Offices of the Funding Agency and receiving institution shall be provided with copies of the approved IRP;
 - c. Once transfer is effected, the receiving agency shall bear all expenses that may be incurred for repair, maintenance and/or improvement of the equipment;

- d. The receiving institution shall enter in its books of accounts the itemized total book value of the equipment transferred in accordance with NGAS;
- e. The receiving institution shall comply with the Property Insurance Law requiring all government entities to insure their properties with the Property Insurance Fund at its own expenses; and
- f. 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 concurrence of the Project Leader and Head of receiving institution.

Equipment purchased through GIA projects being implemented by an NGO or private entity shall remain as property of the Funding Agency unless it is covered by the provisions on refund mechanism as stated in section 6.3.5 of this Guidelines.

8.14. Loan of equipment upon written request, an equipment procured through a previous GIA project may be loaned free of charge to other project proponents subject to the following conditions:

- a. The equipment shall be used for purposes of (a) carrying out its research, either solely by itself or in collaboration with other institutions, (b) instruction in science and technology; and/or (c) dissemination of knowledge in science and technology. In no case shall any fee be charged for such use nor shall the equipment be sub-leased without prior written approval of the Funding Agency;
- b. The loan of an 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 end-user;
- c. The end-user shall be liable for any damage or loss of the loaned equipment except for those brought about by normal wear and tear or force majeure; and
- d. The loan shall be for a definite period only but maybe renewed upon approval of the Funding Agency. At the end of the loan period, the equipment shall be returned to the Funding Agency in good condition.

8.15 Unserviceable equipment--Subject to Sections 8.13 and 8.14 of this guidelines, the Funding Agency may allow the Implementing Agency, upon request, to render as condemned the unserviceable equipment if the freight cost of transferring such equipment to the Funding Agency is deemed uneconomical. The Funding Agency shall ensure that proper inventory is conducted and that an appropriate report is generated (using the Inventory and Inspection Report of Unserviceable Property) prior to approval of such request.

9. OWNERSHIP AND UTILIZATION OF PROGRAMS/PROJECTS RESULTS/INTELLECTUAL PROPERTY RIGHTS PROTECTION

- 9.1. The ownership/intellectual property and Intellectual Property Rights resulting from a program/project partially or fully financed by DOST or any of its grant-giving units shall be governed by MC 001, S. 2002 (See Annex D) and RA 10055 or the Philippine Technology Transfer Act of 2009.
- 9.2. Any new or innovative product, process and equipment resulting from a program/project fully or partially financed by DOST or any of its grant-giving units shall be reported immediately to Funding Agency. In any application of said innovation, the name of Funding Agency shall be indicated as the assignee of the patent.
- 9.3. In case the project produces a book or any type of publication, five (5) copies shall be submitted immediately at the end of the program/project. The proponent shall acknowledge the Funding Agency for the assistance provided in both the outside and inside covers of the book. Where applicable, resulting copyright, should be based on the terms and conditions of the Funding Agency.
- 9.4. Before a proponent can apply for patent, copyright, trade secret, trade mark and/or publish research results generated from any GIA assisted program/project, there should be prior consultation with the Funding Agency. The assistance provided by DOST or any of its grant-giving units shall be acknowledged in any application. The Funding Agency may publish, disseminate or promote the results of a research program/project subject to the confidentiality agreement between and/or among concerned parties.

10. DISCONTINUANCE OF GIA ASSISTANCE

The Funding Agency reserves the right to discontinue any program/project or its assistance at anytime for violation of Grant Agreement or when it is determined that the results obtained or are reasonably expected to be obtained do not justify further activity. With prior consultation with the Monitoring and Implementing Agencies, the DOST has the authority to terminate any project when funds are not available. The Project Leader shall be notified at least 45 days before the date of termination so that he/she could inform the concerned personnel accordingly.

11. OTHER PROVISIONS

These guidelines may be supplemented with specific provisions of the Funding Agency, if necessary.

12. EFFECTIVITY

This order takes effect immediately and supersedes all other Orders and other Issuances inconsistent herewith.

Approved By:


MARIO G. MONTEJO
Secretary

 **DOST-OSEC**



OSEC 13-91354
OFFICE OF THE SECRETARY
Department of Science and Technology

 Department of Science and Technology
Records Management Section (GSD)



RMS-13-03994

