

[DBM CIRCULAR LETTER NO. 2003-12, December 04, 2003]

GUIDELINES ON THE AVAILMENT OF FOREIGN LOAN PROCEEDS IN-KIND SUPERSEDING CIRCULAR LETTER NO. 2003-9

1. This Circular Letter is being issued to ensure that all foreign loan disbursements specifically those availed through direct payments are within authorized and programmed appropriations and supported by ABM/SARO releases.
2. All departments/agencies availing of foreign loan proceeds through direct payment shall submit a request for the issuance of Non-Cash Availment Authority (NCAA) to the Department of Budget and Management prior to the submission of availment application to Foreign Lending Institutions (FLIs).
3. Said requests for NCAA shall be supported by the following documents:
 - 2.1 photocopy of the Application for Withdrawal or equivalent document covering the amount requested;
 - 2.2 certified list of obligated allotments (ABM/SAROs) issued for the project against which the disbursement shall be applied; and
 - 2.3 details of disbursements expressed both in peso and equivalent foreign currency as indicated in the application.
4. All foreign loan direct payment availments in excess of the agencies' obligated releases for the said loan proceeds shall not be authorized except when an available allotment within the current year's programmed budget can be offered by the agencies concerned to offset such loan obligations. Such offsetting may trigger a realignment or the issuance of additional SARO to cover the deficiency subject to evaluation under existing budget and audit rules and regulations.
5. In case of deficiency due to forex differential, the agency concerned may request for the corresponding SARO and/or NCAA supported by the Journal Entry Voucher (JEV) from the Bureau of Treasury.
6. Agencies shall observe appropriate budget, accounting and auditing rules and regulations in the disbursement of funds availed of through foreign loan assistance.
7. This supersedes Circular Letter No. 2003-9 dated September 29, 2003.

Adopted: 04 Dec. 2003