

Republic of the Philippines

DEPARTMENT OF SCIENCE AND TECHNOLOGY

Administrative Order No. 009
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Subject: GUIDELINES FOR THE GRANTS-IN-AID PROGRAM OF
DEPARTMENT OF SCIENCE AND TECHNOLOGY AND ITS
AGENCIES

I. RATIONALE/PURPOSE OF GRANT

The Department of Science and Technology (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 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).

II. SCOPE/COVERAGE

The DOST-GIA guidelines cover grant application, 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:

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



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1. Accounts payable--refers to 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.
2. Completion Date--refers to expiration date of a grant, after which no expenditures can be charged against the grant.
3. 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 DOST-Biosafety Committee.
4. 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.
5. 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.
6. Direct Cost--refers to expenses incurred by the implementing agency in the execution of program/project considered indispensable to its operations.
7. DOST Executive Committee (EXECOM)--refers to 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.
8. Funding Agency--refers to DOST and its particular grant-giving agencies where funds/grants and other technical and material support come from.
9. Genetically Modified Organisms (GMOs)--also refers to "living modified organism" under the Cartagena Protocol on Biosafety and refers to 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.
10. Grants-In-Aid (GIA)--refers to funds allocated to programs/projects by the DOST and its particular grant-giving agencies, including its Regional Offices and Sectoral Councils.
11. Implementation Date--refers to the date when the funds were released to the Implementing Agency.
12. Implementing Agency--refers to the primary organization involved in the execution of program/project which includes public and private entities.

13. Income from GIA projects supported by DOST and its particular grant-giving agencies, based on existing laws, shall include but 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.
14. 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.
15. 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.
16. 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.
17. Monitoring Agency--refers to 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.
18. Multi-Year Program/Project--refers to a program/project exceeding one (1) year project duration.
19. 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.
20. 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.
21. Program Leader--refers to 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.
22. 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.



23. Project Cost--refers to the amount or budget requested by the Implementing/Monitoring Agency and/or approved by the Funding Agency.
24. Project Duration--refers to the grant period or timeframe that covers the approved start and completion dates of the project.
25. Project Leader--refers to a project's principal researcher/implementer.
26. Project Proposal--refers to the plan and description of S&T project developed by a Program/Project Leader 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.
27. 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.
28. 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.
29. Proponent--refers to an agency or organization that prepares and submits project proposals for DOST approval and assistance.
30. Reprogramming--refers to the transfer or reapplication of funds within a project, either between and among expense items within an expense class or between two expense classes.
31. Research Funding Agreement (RFA)--refers to 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.
32. Savings--refers to 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.
33. 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.
34. Termination Date--refers to the date project implementation was discontinued due to reasonable causes, as endorsed by the Monitoring Agency and approved by the Funding Agency.
35. Unexpended Balance (UB)--refers to 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

1. Research and Development (Generation of Knowledge and Technologies)

Research and development (R&D) 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:

- a. 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.
- b. 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.
- c. 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.
- d. 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.

2. 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:

- a. 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.



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

- i. 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.
 - ii. Enterprise Development--establishment and strengthening of technology-based business through the provision of technology, equipment, and training.
 - iii. 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.
 - iv. Technology Matching Service--activities that ensure promotion and utilization of technology through linkages between technology generators and technology adopters/users.
 - v. 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. 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 such as:

- a. International, national, or local S&T workshops/seminars/meetings/symposia/conferences
- b. 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.

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:

- a. Improving/upgrading the testing, measurement and calibration services of government laboratories and facilities;
- b. Development of information resources/databases and general purpose data collection to record natural, biological or social phenomena that are of general public interest;
- c. Testing and calibration services of R&D institutes and other DOST regional offices;
- d. S&T regulatory and licensing work, to include PNRI's nuclear regulation and licensing policy related such as those made by the DOST Central Office;
- e. Publications/bookwriting on S&T including subsidy/grant to science and technology journals;
- f. S&T policy development including secretariat services and management support to S&T programs and projects; and
- g. 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. SELECTION CRITERIA

1. Eligibility Requirement of the Program/Project Leader



The Program/Project Leader:

- a. Must be a Filipino citizen, subject to applicable laws;
- b. Shall submit documents/proof of the following, which shall include but not limited to: credentials/proof of capability; 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);
- c. Must not have any existing accountability with DOST and its agencies particularly technical and financial reports (refer to Section VIII.3.e); and
- d. Must not have pending administrative or criminal case involving financial transactions.

2. 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:
 - i. R&D Programs/Projects: DOST Forms 1A and 1B (capsule), Forms 2A and 2B (detailed)
 - ii. 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 VII.2-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;
- d. Curriculum Vitae of Project Leader and other co-researchers/implementers;
- e. 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);
- f. 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

- g. For the private sector/non-government organizations:
- i. Securities and Exchange Commission (SEC) registration, Cooperative Development Authority (CDA) registration certificate, latest documents of incorporation and other related legal documents
 - ii. Co-signers Statement (if applicable)
 - iii. Copy of "Latest" Income Tax Return and tax clearance
 - iv. Mayor's permit where the business is located;
 - v. Audited Financial Statements for the past three (3) years;
 - vi. Other eligibility and technical documents/requirements as prescribed under Section 53.11 of the IRR of RA 9184 and Section 6.5 dated 20 August 2012, of the "Guidelines on NGO Participation in Public Procurement" and Bid Security (GPPB Resolution No. 25-2013)
 - vii. Clearance requirements

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.

3. Project Proposal Selection Criteria

The DOST shall provide priority funding to programs/projects aligned to national S&T priorities and project proposal's strategic relevance to national development. 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. For research and development:
- i. Program/Project Leader's competence and commitment to undertake the project as shown on his/her experience, training and track record;
 - ii. Scientific Merit--sound scientific basis to generate new knowledge or to apply existing knowledge in an innovative manner;
 - iii. Technical and Financial Feasibility--viability of the undertaking both technically and financially;
 - iv. Methodology/Strategies for Implementation--the project provides the procedures involved, the materials used, sampling procedures, statistical analysis, scope and limitations, time (seasonality) and place of study;
 - v. Reasonable Timeframe--duration of the project and its activities should be consistent with the nature and complexity of the proposed activity;
 - vi. Potential Techno-takers as Partner--the project should identify the possible and potential adopter/s of the technology to be developed;



- vii. Plans for Research Utilization--proposal should include plans on how R&D results will be used by the potential end-user/s or adopters;
 - viii. Institutional Capacity--ability of the institution to implement the project using with their existing and proposed facilities;
 - ix. Potential Socio-Economic Impact--potential of the project to create/provide employment, increase income and address current and pressing national problem;
 - x. Potential Environmental and Health Impact--the project should not have an adverse effect on the environment and/or public health; and
 - xi. Political, Cultural and Gender Sensitivity--adaptability and acceptability of the project to Philippine political context, culture, tradition, gender and development.
- b. For Research and Development Results Utilization (RDRU)
- i. Conformity or Alignment to Priority Sectors--the project should support and promote identified sectors /areas of DOST;
 - ii. Technology Readiness for Commercialization--transferability of technology to be promoted to include equipment/engineering support, and process/system;
 - iii. Technical Viability--workability of technology including complementary and auxiliary support systems;
 - iv. Potential Market--level of existing demand and its potential to expand and explore new markets for the resulting product/process/service;
 - v. Financial Sustainability/Viability--program/project should become self-sustaining after a reasonable start-up period;
 - vi. Potential Socio-Economic Impact--the project to create/provide employment, increase income and address current and pressing national problem;
 - vii. Potential Environmental and Health Impact--the project should not have adverse effect on the environment and/or public health; and
 - viii. Political, Cultural and Gender Sensitivity--adaptability and acceptability of the project to Philippine political context, culture, tradition, gender and development.
- c. For provision of quality S&T services including promotion of science and technology and other related services such as advocacy, information dissemination, and linkages



- i. Relevance--meets the needs of industry, government, academe, and general public;
- ii. Youth Orientedness--geared towards developing S&T consciousness and interest among the youth to get involved in S&T undertakings among the youth;
- iii. Contribution to Development of a Science Culture--commitment to nurture the public's interest in S&T; and
- iv. Timeliness--responsive to present issues of national, regional, and local S&T concerns.

VII. PROPOSAL PREPARATION, SUBMISSION, REVIEW, AND APPROVAL

1. 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:

- a. Title of proposed program/project
- b. Information about the Program/Project Leader
- c. Significance and objectives of the project
- d. Review of related literature (references to illustrate/describe the baseline data)
- e. Theoretical framework (key assumptions and critical areas in conceptualization stage)
- f. Methodology/strategies for implementation
- g. Expected output
- h. Target beneficiaries
- i. Gender sensitivity/responsiveness (based on the harmonized gender and development guidelines)
- j. Personnel and financial requirement
- k. Duration of the program/project
- l. Work plan or Gantt Chart of activities
- m. Curriculum vitae of Program Leader, Program/Project Coordinator, Project Leader and Other Co-researchers/implementers

2. Line Item Budget (LIB) Preparation

The grant shall finance project expenditures itemized in an approved LIB following the DOST Form A-Project Line Item Budget. The grant may cover partial or full cost of the project, both direct and indirect costs of the Maintenance and Other Operating Expenses (MOOE) under GAA which shall include personal services, maintenance and other operating expenses, and capital outlay that are integral part of the R&D, which are crucial in the attainment of the project objectives. All expenditure items in the LIB shall be in accordance with the Unified Account Code Structure (UACS), relevant provisions are shown below:

- a. Direct Cost

Direct cost covers 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 Capital Outlay (CO).

i. Personal 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.

ii. 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:

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

Availment of travel grants using GIA funds for both DOST Agencies and Non-DOST agencies should be 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.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;
- ii.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;

- ii.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;
- ii.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;
- ii.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, fuel, and oil;
- ii.7. Utilities--include costs of water, electricity or cooking fuel consumed by the implementing agency directly related to the project;
- ii.8. Training and Scholarship Expenses--include training fees and other expenses, and scholarship expenses such as tuition fees, stipends, book allowance, and other benefits;
- ii.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 necessary for the implementation of the project;
- ii.10. 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;
- ii.11. Rent Expenses--rental fees for the use of facilities, equipment, and vehicles directly used in the implementation of the project;
- ii.12. Representation Expenses--include costs of meal/food for the conduct of workshops/meetings, conferences, and other official functions related to the project;

- ii.13. Subscription Expenses--include costs of subscription to library materials, such as magazines, periodicals, and other reading materials necessary for the implementation of the project;
- ii.14. Survey Expenses--include costs incurred in the conduct of survey related to the project;
- ii.15. Professional Services--as defined in GAM, but only those items that are relevant and appropriate to the proposed program/project;
- ii.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
- ii.17. Other Maintenance and Operating Expenses--additional items not included above such as cost of submission of scientific paper for peer reviewed journals.

iii. 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 X "Purchase, Ownership, and Accountability of Equipment and Other Properties" of this 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.

b. Indirect Cost

Indirect cost covers 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 and MOOE.

- i. 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.



- ii. The Implementing Agency and Monitoring Agency shall each retain an indirect cost, equivalent to 7.5% on 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.
- iii. Indirect cost incurred by the Implementing Agency shall include financial and administrative support for PS (salaries and honoraria) and MOOE (utilities/maintenance expenses, supplies and materials, and printing/publication). For Monitoring Agency, indirect cost covers expenses incurred in managing the program/project, which shall include financial and administrative support for PS (salaries and honoraria) and MOOE (communication services, transportation and delivery services, traveling expenses, utilities, supplies and materials, representation expenses, professional services) and equipment outlay.
- iv. No funds coming from the Funding Agency shall be used to pay indirect costs incurred by the same agency.
- v. 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 by the Monitoring Agency.

3. Project Proposal Flow/Approval/Release of Funds

- a. 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.
- b. The project proposal shall be evaluated through an established project review mechanism. Endorsement of the appropriate Sectoral Council/ DOST agency to monitor the project shall be required for all project proposals.
- c. 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 (P5,000,000.00) and below which may be approved by the Undersecretary for R&D. The EXECOM shall be informed of the projects approved by the Undersecretary.
- d. Upon approval of the proposal, a Memorandum of Agreement (MOA) shall be issued by the DOST-Special Projects Division (SPD). For continuing projects, a conforme letter shall suffice (See Annex B-MOA/Conforme Letter Formats). The DOST Secretary shall be the principal signatory for all documents pertinent to the approved project amounting to more than ten million pesos (P10,000,000.00). Approved projects amounting to ten million pesos



(₱10,000,000.00) or below shall be for the signature of the Undersecretary for R&D.

VIII. GRANT ADMINISTRATION

1. Roles of the Concerned Institutions/Offices/Staff

a. The SPD shall:

- i. Act as the Secretariat to the EXECOM and monitor DOST-GIA fund status;
- ii. Ensure, with the assistance of the designated Monitoring Agencies, that grant conditions and policies concerning program/project implementation are strictly followed; and
- iii. 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.

- #### b. 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 appropriate intellectual property protection be initiated, where applicable, for outputs of R&D project. For publishable accomplishments, submission of manuscript for possible publication in scientific journals most preferably those accredited by the Institute for Scientific Information (ISI) should be required.

Monitoring and evaluation expenses shall be 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.

- #### c. 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.
- #### d. 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.

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.

- e. The Project Staff shall undertake the actual 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.

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 Head of the Implementing Agency.

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

- i. A regular semi-annual progress report using DOST Form D-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.
- ii. A program/project with a one (1) year duration shall submit the terminal accomplishment report in two (2) hard copies and an electronic copy, not later than two (2) months after project completion, together with DOST Form K-List of Equipment Purchased.
- iii. A program/project with multi-year duration shall submit the annual technical report in two (2) hard copies and an electronic copy, not later than two (2) months after each year of implementation, together with DOST Form K-List of Equipment Purchased.
- iv. In case of a program, a consolidated annual program report shall be submitted in addition to the individual project reports.
- v. The Monitoring Agency shall report to the EXECOM, for its appropriate action, any failure of the Implementing Agency to submit reportorial documents.

b. Submission of Technical Reports by the Monitoring Agency to the Funding Agency

- i. 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 DOST Form G-



Project Monitoring and Field Evaluation Report, which shall be submitted together with the renewal documents (for ongoing projects) and terminal appraisal/assessment report (for completed projects).

Upon completion of the program/project, a technical report shall be submitted in two (2) hard copies and an 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 DOST guides and outline on preparing R&D terminal report and publishable report/article.

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

c. Program/Project Extension

- i. Requests for extension of program/project shall be submitted together with the following documents:

- iii.1. Latest financial report
- iii.2. Proposed LIB
- iii.3. Gantt Chart of activities for the extension period
- iii.4. Technical report
- iii.5. Justification for extension

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

- ii. 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.
- iii. A program/project may be extended for a maximum of one year beyond its original duration for multi-year project. No extension shall be allowed for project with less than one (1) year duration, except when reason for extension is due to force majeure.
- iv. 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, except for extensions as a result of force majeure.
- v. 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 VIII.3.d.iv)



- vi. 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 extension should be submitted one month before the completion date of first extension.
- d. Continuing Assistance and Additional Funding of Programs/Projects
- i. 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 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.
 - ii. The request for continued funding shall be supported by the following documents:
 - ii.1. Technical and financial reports that cover at least the last three (3) quarters of the implementation period
 - ii.2. Work Plan
 - ii.3. Proposed LIB (including cash program) for the succeeding year
 - ii.4. Duly signed list of inventory report of equipment
 - ii.5. Property Acknowledgment Receipt (PAR)
 - ii.6. List of personnel involved
 - ii.7. Endorsement of the Monitoring Agency with an appraisal report
 - iii. 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.
- e. Deferment/Suspension/Change in Implementation Date
- i. 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 for reprogramming.
 - ii. The revised project duration shall have the same length as the originally approved duration.



- iii. Projects with deferred implementation due to delay in the release of funds shall commence within two (2) months after the release of funds.
- iv. Requests for deferment for start of implementation should be made at the latest within the first month after fund release.
- v. 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 for resumption, extension of suspension or cancellation of the project.

f. 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.

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.

a. Fund Releases

- i. The Funding Agency shall release the project funds to the Implementing Agency 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).
- ii. Project implementation shall commence within two (2) months after the release of funds.
- iii. 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 VIII.2.c.ii to VIII.2.d.iii of this guidelines.

b. 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 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:

i. Implementing Agency

Except for expense items under MOOE such as Foreign Travel and Training, 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, MOOE, and CO shall be approved by the Implementing Agency provided that it will not exceed the 7.5% ceiling for indirect cost. 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").

ii. 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 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.

iii. 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.

c. Submission of Financial Report (FR)

i. For monitoring purposes, the Implementing Agency shall submit to the Monitoring Agency a FR certified correct by the agency accountant within a month after each semester. If applicable, as deemed by the monitoring agency, the following requirements shall be submitted:

- i.1. DOST Form H-Semi-Annual/Annual FR;
- i.2. DOST Form K-List of Equipment Purchased;
- i.3. DOST Form L-Schedule of Accounts Payable; and
- i.4. DOST Form M-Report of Income/Interest Generated/Earned.

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

ii. 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 projects with CO, the FR shall be supported by DOST Form K-List of Equipment Purchased and PAR.

iii. A Terminal Audited FR (DOST Form I) shall be submitted to the Monitoring Agency within three (3) months after the completion of the project. The Monitoring Agency shall submit the audited FR not later than one month after receipt from the Implementing Agency. For NGOs or privately owned institutions, an audited FR shall be submitted duly certified by a licensed accountant together with an Audit Certificate/Report.

d. Unexpended Balance, Savings, Interest and Income

- i. The UB, savings and 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.
- ii. For continuing projects, the UB of the previous year shall be deducted from its total approved budget for the current year.

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 sought.

- iii. 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.
- iv. Request to use the UB/savings to continue project implementation 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.
- v. 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.
- vi. For the income generated from ongoing or completed 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.

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.

e. Non-Submission of Requirements

For failure to submit the required financial, technical and other reports within the 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 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 Project Leader for non-submission of requirements.

f. Audit and Inspection

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.

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.

IX. HIRING OF PROJECT PERSONNEL/NATURE OF APPOINTMENT

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.
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.
3. Program/project personnel 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.
4. 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 J.

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.

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.
6. If a Program/Project Leader transfers to another agency, the project shall remain with the Implementing Agency.
7. 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.

8. 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.

X. 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:

1. Purchase of Supplies, Equipment and other Properties--procurement of goods using GIA funds shall be subject to the usual government procurement laws consistent with existing accounting and auditing laws, rules, and regulations. 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 five hundred thousand pesos (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 LIB shall be purchased using grant funds. Items purchased under capital outlay as indicated in the approved LIB shall be classified as fixed assets and shall be covered by Property Acknowledgement Receipt (PAR) for Equipment.

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 PAR attested by the Property Officer of his/her institution and submit it together with copies of all purchase documents to the Funding Agency within thirty (30) days from the date of delivery. The Funding Agency shall then record and maintain the list of purchased equipment. (The Accounting Division to record the liquidation based on the submitted JEVs and provide the Property Office copies of PARs). The Funding Agency shall issue Property Transfer Report (PTR)/Deed of Donation (the appropriate Property Section) to the Program/Project Leader upon written request from the Implementing Agency after the termination of the project. 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, the Implementing Agency must ensure that the Program/Project Leader has secured clearance from their Property and Supply Section, as well as inform the Funding Agency. Clearance shall not be issued unless all properties related to the project are fully accounted for.

3. Ownership of Equipment--The Funding Agency shall initially own all equipment purchased through grant funds until such are transferred to other projects or implementing institution. The ownership of equipment shall be transferred subject to existing government rules. The Funding Agency reserves the right to transfer ownership of such government equipment through Invoice Receipt/s for Property (PTRs) or execution of Deed/s of Donation subject to existing government accounting and auditing laws, rules and regulations. (See PTR Form) (Refer to Section X.12 regarding request for transfer of equipment after project completion).
4. Record Keeping--the Property Officer of the Funding Agency shall establish a complete and centralized file of records of all equipment procured through DOST-assisted programs/projects based on the PAR submitted by the Implementing Agency in collaboration with the technical, accounting and budget divisions, auditing office, and project leaders.

The Implementing Agency shall record the equipment purchased out of the project funds in accordance with GAM subject to the provisions of Philippine Public Sector Accounting System No. 17 (PPSAS 17).

5. Directory of Equipment--the Property Officer of the Funding Agency shall also prepare a directory or master list of all equipment based on the PAR submitted by the Implementing Agency which shall include the following data:
 - 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. PAR 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.
6. Physical inventory of equipment--an actual inventory of equipment purchased through GIA projects shall be conducted by the Monitoring Agency. Reports shall be generated using the DOST Inventory Report Format and DOST Form G-Project Monitoring and Field Evaluation Report. All equipment shall be labeled with the standard Implementing Agency sticker and/or tracking device during the conduct of physical inventory.



7. Updating of equipment records--the Property Officer of the Funding Agency shall update the directory and records of equipment every year based on PAR received or PTR/Deed of Donation issued to Implementing Agency. A copy of the updated directory shall be provided to the project leaders, technical, and financial divisions/units concerned.
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, maintenance and due diligence are observed.
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, subject to approval by the owner of the equipment. The owner of the equipment shall ensure that proper technical assistance is given in the operation of the equipment. However, no equipment shall be physically transferred without the written consent of the program/project leader and the Funding Agency.
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.
11. Plans for the use of equipment--The Head of the Implementing Agency shall inform the Funding Agency on equipment purchased through GIA funds, which remain unutilized. Such information shall be used in the evaluation of new projects, especially those requiring the same equipment.
12. 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 the particular institutions which implemented the project. The following conditions shall apply:
 - a. The equipment shall be used in research and development, extension and education purposes or activities;
 - b. An PTR or execution of Deeds of Donation shall be issued after submission of an inventory of equipment purchased, JEVs and PARs. The PTR (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, Implementing Agency and receiving institution shall be provided with copies of the approved PTR/Deed of Donation;
 - 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 GAM;
 - 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.
13. Loan of equipment upon written request, an equipment procured through a previous GIA project may be loaned free of charge to other Program/Project Leaders 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; and
 - d. The loan shall be for a definite period only but shall be subject to renewal 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.
14. Unserviceable equipment--When equipment purchased under DOST-GIA programs/projects has 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. The Implementing Agency in coordination with the Monitoring Agency shall ensure that proper inventory is conducted and that an appropriate report is generated (using the Inventory and Inspection Report of Unserviceable Property).

XI. 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 rules on intellectual property as applicable to the DOST.

XII. DISCONTINUANCE OF GIA ASSISTANCE

The Funding Agency reserves the exclusive right to discontinue its assistance to any program/project at anytime for violation of Grant Agreement, when the results obtained or expected to be obtained do not justify further activity, fraud or falsity in Program/Project Leader's proposal, representations and warranties and when funds

become unavailable. The Project Leader shall be notified at least forty-five (45) days before the date of termination so that he/she could inform the concerned personnel accordingly.

XIII. OTHER PROVISIONS

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

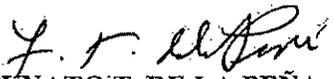
These guidelines may be supplemented with specific provisions of the Funding Agency, if necessary. If grant policies and regulations conflict with the recent issuances of the GAA and Commission on Audit (COA), the national government regulations will prevail until amendments will be made on these guidelines.

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

XIV. EFFECTIVITY

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

Approved By:


FORTUNATO T. DE LA PEÑA
Secretary