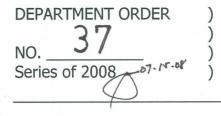


REPUBLIC OF THE PHILIPPINES DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS OFFICE OF THE SECRETARY MANILA

JUL 1 1 2008



SUBJECT: RECEIPT OF DIRECT RELEASE SAROs

The following is the Departments policy and procedure for Special Allotment Release Orders (SARO) directly received from DBM. The DBM has in recent times begun to issue many SAROs directly to Regional and District Offices. All directly released SAROs are subject to retention of Engineering and Administrative Overhead (EAO) by the Central Office and the respective Regional Office.

Regional or District Offices are not authorized to incur any obligations against these directly released SAROs until a copy has been provided to the Regional and Central Office. The copy shall be provided within 5 days. The concerned office shall obtain a receive stamp on the SARO copy to confirm that the copy was received.

Once the SARO copy has been received by both the Regional and Central Office, then the concerned office shall record the SARO (as defined below) into their budget system and can then incur obligations against it. There will no longer be a negative Sub Allotment Advice (SAA) issued from the Central Office for this. This shall be booked up as follows:

District Office (Implements Project)

Project Cost – 96.5% of SARO EAO – 2.25% (District Office Share) Total for District Office – 98.75%

EAO for Regional Office – 0.50% EAO for Central Office - Equipment Outlay – 0.50% (GAA 9498 Special Provision 5) EAO for Central Office – 0.25% Total – 100%

Regional Office (Implements Project)

Project Cost – 96.5% of SARO EAO – 2.75% (Regional Office Share) Total for Regional Office – 99.25%

EAO for Central Office - Equipment Outlay - 0.50% (GAA 9498 Special Provision 5) EAO for Central Office - 0.25% Total - 100%

This Order shall take effect immediately and supersede all previous Department Orders and other issuances or any provision thereof that are inconsistent herewith.

HERMOGENES E. EBDANE, Jr. Secretary



WIN8B00173