

ANNEX M

MEMORANDUM OF AGREEMENT FOR IMPLEMENTATION OF KABUHAYAN PROGRAM THRU PROPONENT ACCREDITED CO-PARTNER/PROPONENT BENEFICIARY

KNOW ALL MEN BY THESE PRESENTS:

This Memorandum of Agreement (MOA) made and entered into by and between:

The **DEPARTMENT OF LABOR AND EMPLOYMENT - REGION**, a government office existing by virtue of the laws of the Republic of the Philippines with principal office address at _____, represented herein by its Regional Director, _____, and herein referred to as "**DOLE - REGION**";

and

The (Name of Proponent), with principal addresses at _____ represented herein by its (Authorized signatory/representative of the ACP), herein referred to as "**PROPONENT ACP**" or "**PROPONENT BENEFICIARY**".

WITNESSETH

WHEREAS, the current Administration thrust is to immediately implement poverty reduction projects in all regions and promote inclusive economic development

WHEREAS, the Department of Labor and Employment (DOLE) is mandated to promote gainful employment opportunities, develop human resources, protect workers and promote their welfare, and maintain industrial peace;

WHEREAS, the DOLE endeavors to contribute to reducing poverty and vulnerability to risks of the poor, vulnerable, and marginalized workers by providing them access to livelihood undertakings;

WHEREAS, the DOLE Integrated Livelihood Program or KABUHAYAN Program is being considered as an important strategy towards transitioning informal workers to formal;

WHEREAS, the **DOLE - REGION** has been given responsibility to directly implement the approved Livelihood (Kabuhayan) Project entitled “ _____ ”, in accordance with the Department Order No. _____, series of _____;

WHEREAS, DOLE - **REGION** shall implement (livelihood formation or enhancement or restoration) in the Municipality/ies of _____, Province of _____.

WHEREAS, the **DOLE - REGION** has been given the responsibility to implement the DOLE Livelihood (KABUHAYAN) Program.

WHEREAS, DOLE - **REGION** shall implement (livelihood formation or enhancement or restoration) in the Municipality/ies of _____, Province of _____, in partnership with (Name of Proponent) as accredited co-partner.

WHEREAS, this partnership is vital to ensure the successful implementation of the said projects and achieve their desired social outcomes;

WHEREAS, the PROPONENT has been accredited by DOLE to implement the proposed project of (Name of Proponent), particularly the (Name and Nature of Project) located in _____.

NOW, THEREFORE, for and in consideration of the foregoing premises, the parties hereto have agreed to enter into this Memorandum of Agreement under the following terms and conditions:

I. RESPONSIBILITIES OF THE PARTIES:

A. The DOLE-RO shall:

1. Provide the fund assistance for working capital to the PROPONENT of the approved project amounting to (Amount in Words) only (P_____ .00), to be used exclusively for the implementation of the project. Funding assistance may be released in full or in tranches depending on the nature and the need of the project. For releases in tranches, schedule and amount of releases shall be in accordance with related provisions in COA Circular 2007-001;
2. In case the fund assistance includes allocation for acquisition of equipment, purchase of the necessary equipment indicated in the approved project proposal should comply with RA 9184 (Government Procurement Reform Act) and government accounting and auditing rules and regulations. All equipment purchased shall be the property of DOLE, to be turned over to the proponent-beneficiary after one (1) year from date of purchase through a Deed of

Donation, provided the project is still in operation. If a project ceases to operate within the 1-year period, the PO/FO shall recommend to the Regional Office that said equipment be pulled-out from the proponent-beneficiary.

3. The DOLE-RO, together with the PROPONENT, shall conduct regular inventory of the equipment to determine their physical condition;
4. Provide orientation/briefing to PROPONENT prior to issuance of fund assistance to ensure that both the technical and administrative concerns relative to the Project are adequately addressed;
5. Provide technical assistance to the PROPONENT whenever necessary;
6. Monitor and inspect the project implementation together with the proponent ACP on a periodic basis; verify the financial records and reports of the PROPONENT;
7. Adhere to the accounting and auditing requirements of fund transfers to the Proponent per COA Circular 2007-001 and 2012-001 such as, among others, maintenance of subsidiary ledger of cash transferred pertaining to the project, drawing Journal Vouchers to take up financial reports of PROPONENT as well as taking up liquidation and COA CSBs issued;
8. Demand the refund of unused funds or savings after project completion and the refund of any disallowed amount as a result of financial audit by the DOLE and/or the Commission on Audit, as well as issue an Official Receipt (OR) for unexpended balance and the refunded disallowance remitted by the PROPONENT ACP;
9. Issue Certificate of Completion of Procurement upon submission of complete liquidation reports
10. Institute appropriate actions against the concerned PROPONENT ACP which may include, among others, suspension or termination of the project in case of violation of the provisions of this MOA and/or legal action for misuse of approved and released funds, the legal costs of which shall be shouldered by the PROPONENT ACP.

B. The PROPONENT ACP shall:

1. Implement the approved livelihood project proposal which form as an integral part of this Agreement, in accordance with the approved project objectives, standards, systems and procedures for project implementation, time schedule and the project cost estimates

2. Procure the necessary raw materials, equipment, and tools and jigs indicated in the approved project proposal in accordance with government accounting and auditing rules and regulations and RA 9184, as applicable, within 3 months from receipt of project funds
3. Provide equity or counterpart which is equivalent to at least twenty percent (20%) of the total project cost in the amount of (Amount in Words) only (P_____00) for the supervision and monitoring of the project or for other needs related to the project;
4. Adhere to DO No. _____, the Revised DILEEP guidelines and other relevant government regulations;
5. Deposit the check received for the purpose to the authorized depository bank of the Proponent ACP. It shall issue corresponding Official Receipt (OR) to acknowledge funds received from DOLE;
6. Utilize the amount received from DOLE solely for the above-mentioned approved project and/or for the purpose and line items as specified in the approved project proposals, In no case shall the funds be used for payment of additional compensation or in the creation of new positions or augmentation of salaries of regular personnel of proponent ACP officers and members/employees, or for other benefits in the form of allowances, incentive pay, bonuses, honorarium or other forms of additional compensation, and for purchase of motor vehicles, for money market placement, time deposit and other forms of investments not related to the project;
7. Return to DOLE any unused funds or savings upon completion of procurement of all necessary project requirements as stated/itemized in the approved project proposal and any disallowed amount as a result of financial audit by the DOLE and/or the Commission on Audit;
8. Allow access to or make available all records and facilities pertaining to the project for the visitorial audit and examination of the DOLE and/or COA authorized representative/s;
9. Create a Project Management Team and identify their respective roles and responsibilities;
10. Implement a profit sharing scheme;
11. Ensure that streamers/banners and signages bear the DOLE and DILP Logo and are prominently displayed in the project site and training venue.
- ~~12.~~ Ensure that product packaging/labeling shall bear the DOLE and DILP Logo indicating that it is a DOLE - assisted project.

13. Be responsible for the storage and maintenance of the equipment. It shall secure written approval from DOLE for transfer of any equipment from the project site to another location. In case the project ceases to operate within 1-year period, the proponent shall notify the DOLE regional office.
- ~~14.~~ Keep and maintain separate Account and financial records/subsidiary records for funds received from DOLE in accordance with generally accepted accounting principles. Funds shall not be mingled with other funds owned and controlled by the PROPONENT - ACP.
- ~~15.~~ Submit to DOLE the Liquidation report within sixty (60) days upon completion of procurement of all necessary project requirements as stated/itemized in the approved project proposal, with supporting documents and evidences like invoices, pictures, and acceptance/ acknowledgement receipt by the beneficiaries of the raw materials, and/ or equipment, tools and jigs, as applicable.
16. Secure prior approval of the Regional Director in case of deviation from the approved project proposal
17. Monitor the projects and submit regular quarterly and annual progress report to DOLE PO/FO.

II. COMMENCEMENT OF PROJECT IMPLEMENTATION

- ~~a)~~ The implementation of the project covered by this Agreement shall start, **as soon as practicable**, after the receipt of equipment and other materials needed for project operation, subject to adjustments upon written request of ACP to the DOLE.

III. MODIFICATION/AMENDMENT AND EFFECTIVITY

- a. Any modification/amendment to this Agreement shall be subject to the mutual consent of the parties hereto.
- b. Any deviation from the approved project proposal shall require approval from the Regional Director. In case of unauthorized deviations, the PROPONENT ACP shall be obliged to return any unutilized portion of the financial assistance without need of prior demand from DOLE. Unauthorized deviations shall also give the DOLE the right to stop payment of the check and/or succeeding releases covering the amount of the grant.

e.—This Agreement takes effect upon signing of the parties hereto and shall remain in force until mutually revoked by both parties.

IN WITNESS WHEREOF, the parties have hereunder affixed their signatures this ____ day of _____ 20__ __.

**DEPARTMENT OF LABOR AND EMPLOYMENT-
REGIONAL OFFICE No. _____**

PROPONENT ACP

By:

By:

Regional Director

Head of Proponent ACP

Signed in the Presence of:

Witness

Witness

Certification of Availability of Funds

Chief Accountant
ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
CITY OF _____) S.S.

BEFORE ME, in the City of _____, this ____ day of _____ 20__ __,
personally appeared the following:

NAME	VALID IDENTIFICATION CARD/NUMBER	DATE/PLACE OF ISSUE

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All known to me and to me known to be the same persons who executed the foregoing instrument and acknowledged before me that the same is their free and voluntary act and deed as well as those of the entities they represent.

Said instrument refers to a Memorandum of Agreement consisting of ____ pages including this page of acknowledgement, signed by the parties and their witnesses and sealed with my notarial seal.

NOTARY PUBLIC

Book No. ____

Doc No. ____

Page No. ____

Series of ____