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	Policy No. 1.2.0.0	Revision
	Date of Issuance	Date of Effectivity
	August 16, 2010	August 31, 2010
Subject: <u>Revised RFA Policy</u>		

I. POLICY STATEMENT

The Request for Fund Appropriation (RFA) is designed to properly allocate the resources and identify the disbursement priorities of the company. This is being done prior to issuance of Purchase Orders (PO) and /or finalizing negotiations with third parties.

This policy is being established to provide guidelines in the preparation and procedures on the approval of the RFA.





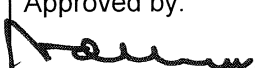
II. DEFINITION OF TERMS

1. **Capital Expenditures (CAPEX)** - refer to the acquisition, investment or upgrade of assets for use in the conduct of business.
2. **Operating Expenditures (OPEX)** - refer to expenses incurred in the normal operations of the company.

III. COVERAGE

Request for Fund Appropriation (RFA) shall be required for the following transactions:

1. Purchase of inventories
2. Courseware development expenses
3. Advertising and promotion expenses
4. Network conferences, programs and trainings
5. Professional or consultancy fees including payment for project-based employees
6. Company sponsored affairs
7. Hospitalization and insurance benefits of employees
8. Repairs and maintenance exceeding P15,000
9. Commencement, convention and other service expenses

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10. Other operating expenses exceeding P15,000


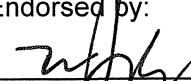
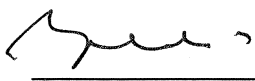

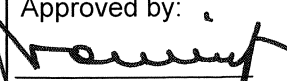
11. All capital expenses

IV. GENERAL PROVISIONS

1. All information in the RFA form shall be completed to facilitate review and approval. The following provisions must be considered in accomplishing the RFA form, to wit:

The **Requesting Party** shall fill out the following:


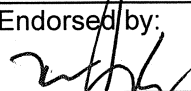
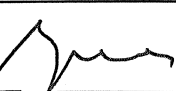

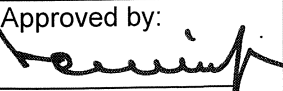
1. Type of Transaction - check the appropriate box to identify if the RFA is intended for Capital Expenditure (CAPEX), Expense or Inventory.
 2. Date Requested and Date Funds Needed – indicate the date when the RFA was prepared and the date when the funds are needed.
 3. Project Title – this should describe the activities or transactions involved in the project.
 4. Project Description and Cost Breakdown – include the rationale behind the project, the staff involved in the project, the reasons for the project and the cost related to it.
2. Supporting document(s) and schedule(s) required shall be any or all of the following:
 - a. Material Request and Canvass Form (MRCF)
 - b. Canvass report and quotations from Purchasing Department.
 - c. Draft of the contract or agreement
 - d. Timetable and details of costs of a project or activity

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3. RFA shall be subject to the following:

	OPEX	CAPEX
Endorsed by	Head of the Division initiating the request and/or to which the request shall be charged	Head of the Division initiating the request and/or to which the request shall be charged
Checked by	Division Head-Purchasing Department	Division Head-Purchasing Department
Budget Status Review	Financial Planning and Control Accountant and Financial Planning and Control Manager	Financial Planning and Control Accountant and Financial Planning and Control Manager
Fund Appropriation	Treasury Manager	Treasury Manager
Reviewed by	Division Head-Comptrollership (below P500,000) Division Head – Comptrollership and Division Head-Finance/CFO (P500,000 and above)	Division Head-Comptrollership (below P500,000) Division Head – Comptrollership and Division Head-Finance/CFO (P500,000 and above)
Approved by	EVP (below P200,000) EVP and President (P200,000 and above)	EVP and President (any amount)

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4. Requests will be processed within seven (7) working days from the date of submission to Financial Planning and Control (FPC) department.

V. INSUFFICIENT BALANCE

In cases where the balance of an account to which a request shall be charged is insufficient, the requestor shall first secure an approved budget re-alignment before the RFA is processed.

VI. EXCESS FUNDS

The requestor of funds shall be responsible in informing FPC that the unused amount from the RFA will no longer be utilized. Unused portion of the amount appropriated shall be returned to the available budget (free budget) to show the total amount spent for a project, activity or requirement. On the other hand, in cases where the requestor failed to give notification or information regarding the remaining balance within two months after the date of the last payment request then the outstanding balance shall be forfeited.


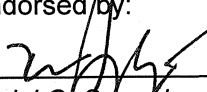
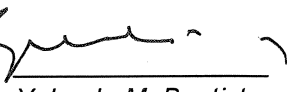
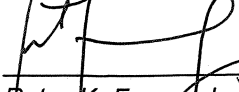
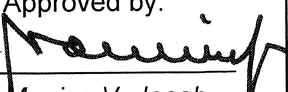
VII. ACCRUAL

An RFA relevant to expenditures for accrual shall be prepared and submitted to FPC on or before April 30 of the succeeding fiscal year. Expenditures for accrual refer to projects or activities that relate to the current fiscal year though occurrence or payment may take place in the subsequent year.

VIII. OFFENSES AND SANCTIONS

1. Done deal transactions

Transactions are considered "done deal" when there is a final negotiation with third parties and /or a Purchase Order has been issued without an approved RFA.

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The following are not considered "done deal" for purposes of this provision.

- a. Urgent/unforeseen circumstances that may cause undue delay and/or damage to the operations and/or loss to the organization. This shall be allowed provided that there is a written approval from the division head and the transaction shall be coursed through an accredited supplier.
- b. Transactions which need the signing of an agreement or a contract to initiate the process of the RFA.


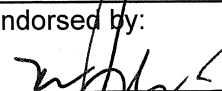
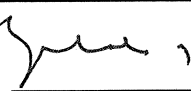

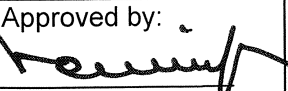
Done deal transactions are strictly prohibited subject to Class 3 offense.

2. Other violations

Non compliance of the above provisions shall be considered a violation of this policy and shall be subject to the company's code of conduct

IX. POLICY REVISION

Policies, rules, and regulations not in accordance with this policy are deemed amended. STI reserves the right to adopt revisions to this policy if and when deemed necessary by management.

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