

RMO NO. 009
Series of 2018

STANDARD OPERATIONAL GUIDELINES ON WAREHOUSE MANAGEMENT

I. RATIONALE:

All resources of the government shall be managed, expended or utilized in accordance with law or regulation and safeguarded against loss or wastage through illegal or improper disposition, with view of ensuring economy, efficiency and effectiveness in the operation of the government. "Sec 2 of PD. 1445, The State Audit Code of the Philippines).

In adherence to this policy, the Department issued several guidelines aimed at setting internal rules and procedures for the management of the Department's assets and properties.

However, considerations have been given to the fact that there are practices and experiences being encountered that delivered supplies/materials/equipment were relatively place in the hallway, unsecured/unlocked storage area which is accessible to anyone and in an open space / corner without protection. There are also supplies and materials directly delivered to end user without proper issuance and recordings, unutilized/obsolete/damaged/spoilage of supplies have been found due to poor monitoring and lack of proper custodianship, common incidence of loss, wastage and deterioration of properties have been reported especially donated items due to lack of warehouse facility control and monitoring among others. It is for this reason that this operational guidelines spells out responsibility and accountability of personnel in-charge to ensure proper care and maintenance of all warehouse facility and properties.

Moreover, noticeable increase in the utilization and demands of procured supplies/materials/equipment was noted due to the fact of increasing number of personnel requirements vis a vis expansion of programs and projects implementation of the department.

Thus, the need for appropriate guidelines which is responsive based on the current needs that will provide better safeguards along warehouse facility and institutionalizing the internal control system has to be implemented in the FO-NCR.

II. LEGAL BASES:

Presidential Decree No. 1445, Government Auditing Code of the Philippines. (As stated above)

COA Circular No. 2015-007 dated October 22, 2015 prescribing the Government Accounting Manual (GAM) for Use of all National Government Agencies (NGAs) effective January 1, 2016. Particularly Chapter 8, Volume 1 of GAM, procedures on use of Stock Card, delivery, requisition, and issuances of Inventories.

Administrative Order #6 Series of 2017, the Comprehensive Guidelines on the Management of DSWD properties. Guiding Principle Section 5.4 employees should exercise due diligence in the safekeeping of government properties.

DSWD AO#1 Series of 2015, Transfer of Warehouse from Disaster Risk Reduction and Response Operation to the Office of the Assistant Secretary for General Administration and Support Service Group. Provides specific functions on how to implement policies and review systems and processes on warehouse operation and management.

DSWD MC 9 Series of 2006: Procedural Guidelines on the Receipt and Utilization of Donations in Cash and in Kind. Provides procedures on all donations received in cash or in kind by the FO/C/RCF.

DSWD Memorandum Circular No. 08, Series of 2006 - Guidelines on the Conduct of Physical Inventory of Properties, Equipment, Supplies and Materials. Provides physical stock taking is an indispensable procedure for checking the integrity of property custodianship.

DSWD Memorandum Circular No. 2, Series of 2004 - Guidelines on DSWD Property and Equipment Management (as amended by Memorandum Circular No. 13 Series of 2002) Provides internal control system governing the receipt, maintenance, utilization and disposal of all materials, equipment and properties in the department.

III. OBJECTIVES:

1. This Guidelines shall set standard and provisions to protect and safeguard all acquired properties whether through purchase, transfer from DSWD-CO, donations, fabrication or any other mode of acquisition being stored in the warehouse facilities of the Field Office NCR.
 - 1.1. To protect and safe keep of office supplies, materials and equipment for office use, programs and projects implementation.
 - 1.2. To establish mechanism on warehouse supervision, control and accountability.
 - 1.3. To ensure upkeep and maintenance of warehouse facility.

IV. DEFINITION OF TERMS

Accountable Personnel - refers to any officer/employees designated as supply custodian mandated with an obligation to perform the warehouse management.

Acknowledgement Receipt for Donations Received (ARDR) – a standard template based on MC 9 Series of 2006 to be used as proof of receipt and acceptance of donations from legitimate sources / donor/s.

Approving Authority - refers to Regional Director, Assistant Regional Directors and Division Chiefs, Unit/Centers/ Section Heads and other authorized personnel.

Bin Card- refers to a form used which is posted in the warehouse/storage facility for quick reference during physical count inventory and inspections of supplies/materials.

Custodianship- refers to guardianship of government property by designated property and supply custodian/officer or any person entrusted with the actual possession or custody of the Department's property

Deed of Donation and Acceptance - a standard template based on MC 9 Series of 2006 to be used as proof of conveyance and acceptance of donations from legitimate sources / donor/s.

Delivery Receipt – is a document issued by the supplier/contractor/dealer whether private and government entity as proof of delivery schedule of goods/supplies/equipment.

End-user -refers to recipient of the office supplies/equipment/and food items.

Inspection Committee – refers to authorized group of personnel to conduct inspection of all delivered goods/supplies/materials/equipment before final acceptance / storage.

Inventories refers to supplies, goods, and materials to be consumed or distributed in the rendering services like office supplies, welfare/relief goods and maintenance materials.

Supplies- refers to items owned by the department intended for official use.

Office Equipment- refers to equipment owned by the department exclusively for official used within or outside the office premises.

Pallet or Square Timber – refers to wooden/plastic portable platform used for handling, storing or moving materials/supplies and packages in the warehouse.

Property, Plant and Equipment – refers to tangible assets which are acquired by the Department through purchase, donation or other mode of acquisition and which meet the capitalization of P15,000 and above as per GAM.

Property and Supply Custodian – refers to personnel authorized in the receipt, inspection, recording, inventory, issuance and safekeeping of supplies, materials and equipment stored in the warehouse.

Property and Supply Officer - refers to authorized officer such as PAMS Head and C/RCF Head who will oversees / supervises the over-all operations of the warehouse.

Personnel - refers to all staff of the Regional Office who are regular, contractual and those under contract of service.

Relief Goods- refers to goods acquired by the department through purchase and donations intended for relief assistance, augmentation support to victims of calamity and assistance to individual in crisis situation.

Requisition Issue Slip (RIS)- refers to a standard form used by Requisitioning Division/Office to request supplies/goods/ equipment/property carried in stock and by the Supply and/or Property Division/Unit to issue the items requested.

Stock Card- refers to a form used to record all receipts and issued supplies, materials, relief goods, equipment and property.

Warehouse - refers to storage facility managed by the DSWD-NCR.

Warehouse management refers to systematic control and monitoring of receipts, storing, issuance and recordings of supplies/materials/equipment within storage facility.

V. ACRONYM:

AO- Administrative Order

ARDR- Acknowledgement Receipt for Donations Receive

COA – Commission On Audit

C/RCF – Centers and Residential Care Facilities

DDA- Deed of Donations and Acceptance

DSWD-NCR- Department of Social Welfare and Development – National Capital Region

FO-NCR- Field Office – National Capital Region

GAM – Government Accounting Manual

MC- Memorandum Circular

PAMS – Property and Assets Management Section

PPE- Property Plant and Equipment

RIS – Requisition and Issues Slip

RMO- Regional Memorandum Order

PR- Purchase Request

VI. SCOPE AND COVERAGE

This guideline shall apply in the management and operation of warehouses of DSWD-NCR.

VII. GENERAL POLICIES AND IMPLEMENTING PROCEDURES:

A. General Policies:

- The management shall adopt a "FIRST IN, FIRST OUT METHOD" in the disposition of items.
- All purchase supplies, furniture and equipment, relief goods and other items by the Regional Office shall be stored at the warehouses of DSWD-NCR.
- Property and Supply Custodian shall manage the receipt, warehousing, processing, repacking and releasing of procured and donated goods.
- Proper turn-over of accountabilities of transferred / resigned/ retired personnel must be strictly observed pursuant to Section 6.7 of AO#6 Series of 2017, DSWD Property Comprehensive Guidelines.
- The maintenance of complete, updated and accurate inventory record file together with the supporting documentation shall be strictly observed.

- Shall ensure proper maintenance, pest control, upkeep and good housekeeping of warehouse.
- Shall ensure compliance to the standard packing/repacking of goods/items and classification as to the condition and piling of stocks.
- All delivered goods/supplies/equipment shall be subjected to inspection prior to storage.
- Releasing of supplies shall require approved Requisition Issue Slip (RIS) duly signed by the approving officer.
- Disposal of waste materials and unserviceable equipment shall be assessed by the Property Disposal and Awards Committee.
- Surveillance camera / Close Circuit Television (CCTV) shall be installed inside and outside the premises of the warehouse for security purposes.
- Section Head of Property and Supply Section of the region shall have full disposition of warehouse key and shall be endorsed to Security Personnel before leaving the office.
- During massive disaster operation, authorized volunteers are allowed to enter the warehouse premises for purposes of repacking.
- Goods with expiry dates, proper monitoring must be observed in order that wastage and possible cause of health problems detrimental to recipients of these goods can be avoided.
- Units involved in the operation, such as Disaster Response Division, Crisis Intervention Unit, Special Project Section among others shall be informed three (3) weeks before the expiry date of goods.
- All FO C/RCF shall adopt proper piling system.

B. Implementing Procedures:

b.1. WAREHOUSING

- a) Only the designated authorized personnel with approved Regional Special Order (RSO) is duly responsible and can access the operation of the warehouse.
- b) Designated personnel shall ensure inspection of facility (doors, windows, sidings, electricity and accomplishment of stock card & bin card) before and after office hours. Also Guard on Duty shall secure warehouse premises.
- c) All personnel working in the warehouse must wear identification cards.
- d) Unauthorized person shall not be allowed to enter warehouse premises without assistance from Property and Supply Custodian.
- e) The Property and Supply Officer and C/RCF Head shall refrain from delegating his/her functions to any other personnel without RSO as custodian.

b.2 PILING SYSTEM

- a) Pallet or square timber must be used for the base of all stock in pile.
- b) The pallets should be covered with jute sheets or unserviceable empty sacks, tarpaulin to prevent spillage of small goods/items like rice, sugar and corns.
- c) Piling of stocks shall depend on the warehouse ceiling height and capacity
- d) The maximum allowable safe height of the pile of sacks must be determined so that the sack of the bottom of the pile will not be destroyed within a reasonable length of time.
- e) Pile levels must be frequently checked to see to it that it does not go beyond the bottom chord of the roof truss.
- f) Piling of Family Food Packs in box, 10 boxes per layer, 10 layer per pallet.

2. Property, Assets and Supply Management Section

- 2.1 Shall be the primarily responsible for safeguarding the properties/assets/supplies of the department.
- 2.2 Shall be responsible in the maintenance, upkeep and operation of FO warehouse facilities.
- 2.3 Maintain the inventory and updated records of properties.
- 2.4 Ensure the completeness of the documents for the issuance of property to respective end user.
- 2.5 Submit monthly Report of Supplies and Materials Issued (RSMI) to Accounting Section.
- 2.6 Conduct periodic/annual physical count of Property, Plant and Equipment (PPE) and Supply Inventories with Inventory Committee including those relief goods prepositioned in partner LGUs for monitoring and proper inventory purposes.
- 2.7 Provide technical assistance to FO/C/RCF custodians in the operation and management of warehouse facility.
- 2.8 Ensure cleanliness and orderliness of the facility during and after repacking.
- 2.9 Ensure proper orientation on warehouse management

3. Centers and Residential Care Facilities

- 3.1 Shall be responsible for safeguarding the properties/assets/supplies of the C/RCF.
- 3.2 Shall maintain storage / warehouse facility.
- 3.3 Maintain the inventory and updated records of C/RCF properties.
- 3.4 Ensure completeness of the documents for the issuance of property within the C/RCF.
- 3.5 Submit monthly Report of Supplies and Materials Issued (RSMI) to Accounting Section.
- 3.6 Ensure designation of Property and Supply Custodian who will be responsible in the receipt/inventory/issuance of C/RCF supplies/properties.
- 3.7 Ensure close/proper coordination with PAMS –Field Office with regards to property concerns and warehouse management.

4. General Services Section

- 4.1 Shall provide inspection and repair works of warehouse facilities.
- 4.2 Shall provide technical facility audit to ensure building integrity.
- 4.3 Provide logistical support during disaster operations.
- 4.4 Shall ensure inclusion of funds in the WFP and its availability

5. Disaster Response Division

- 5.1 Use the space provided by the partner stakeholders specifically for delivery, repacking and releasing of food and non-food commodities for relief and rehabilitation activities.
- 5.2 Provide assigned DSWD personnel to manage and secure the goods to be packed.
- 5.3 Shall ensure complete and approved RIS for the release of relief goods.

- 5.4 Shall coordinate with the Property and Supply Management Section for the releasing and issuance of Relief Goods (Food and Non-Food)
- 5.5 Directly coordinate with the respective LGUs during relief assistance distribution/disaster operation.
- 5.6 Coordinate with partner LGUs for establishment of designated Relief Warehousing Facility as emergency relief augmentation preparedness measure.
- 5.7 Recommend and assess volunteers for repacking during massive operation.

6. Accounting Section

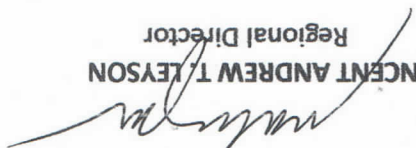
- 6.1 Shall maintain Supplies Ledger Card of all supplies, materials stocks available in the warehouse for reconciliation purposes
- 6.2 Issuance of Journal Entry Voucher to items receipt and disposed by the region.
- 6.3 Conduct periodic physical count of PPE and Inventories together with Inventory Committee.
- 6.4 Provide technical assistance on Government Accounting Manual.

7. Security Personnel

- 7.1 All Security Guards shall conduct inspection of all bags and hand-carried belongings of all incoming and outgoing staff, visitors and guest without exemption.
- 7.2 Security personnel shall inspect, record and monitor the movement of supplies, materials and equipment inside the warehouse.
- 7.3 Security personnel assigned in the warehouse shall secure duplicate copy of all issued supplies , materials and equipment for file copy purposes.
- 7.4 Untoward incidents shall be reported within one (1) hour verbally and/or in writing to the concerned personnel in the Regional Office.
- 7.5 All Security Guards shall strictly prohibit DSWD-NCR Personnel and non-personnel from using camera and other electronic gadgets from taking pictures inside the warehouse.

8. DSWD-NCR General Administrative Services Division

- 8.1 Shall allocate funding support for the maintenance, improvement and rehabilitation of FO warehouse facility.
- 8.2 Shall monitor and evaluate policy implementation with regards to warehousing of FO/C/RCF.
- 8.3 Shall review formulated policies and regulations for the effective and efficient warehouse management of the region.
- 8.4 Shall secure fire insurance policy for all the goods / items stored in the warehouse of the DSWD-NCR.


VINCENT ANDREW T. LEYSON
Regional Director

This guideline shall take effect immediately. Done this 6th day of July 2018, Manila.

X. EFFECTIVITY.

All memoranda, orders or issuances inconsistent herewith are hereby deemed, repealed, suspended and/or amended accordingly.

IX. REPEALING CLAUSE.