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(DEPARTMENT OF SOCIAL WELFARE AND DEVELOPMENT)  
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**IMPLEMENTING GUIDELINES ON THE DECONCENTRATION AND  
MANAGEMENT OF THE DSWD SELF - EMPLOYMENT ASSISTANCE  
REVOLVING & SETTLEMENT FUND (SEA-RSF)**

**1.0. BACKGROUND**

Integral to the concept of the SEA-RSF is the DSWD strategy of inculcating social obligation on the part of the SEA beneficiary to return, in installment basis the original capital assistance so that the same may be utilized for another SEA client.

The beginning of the "roll-back/roll-on" scheme can be traced back in the 1960s when the then Office of Field Services started a "self-help" project for disaster victims under the Animal Dispersal Project. In 1971, the "*Tulong Kapwa*" scheme evolved to operationalize the concept of "social responsibility" arising from the roll-on funding scheme or the transfer of capital from one client to another. At this time, the project cut across all clientele groups of the Department.

This scheme – the transfer of capital assistance from one SEA client to another – was later institutionalized with the creation of the DSWD SEA TRUST FUND (STF), with DSWD acting as a conduit through the issuance of Administrative Order No. 75s 1988.

Because of the urgency to quickly respond to the growing needs of our target beneficiaries, there is a need to expedite the processing of capital assistance and to effect the efficient implementation of the SEA-Kaunlaran (SEA-K) Integrated Program. In order to do this, a portion of the SEA-RSF will be deconcentrated to the Regional Offices for a more efficient implementation of the SEA-K Program.

## 2.0. RATIONALE FOR DECONCENTRATION OF RSF

The deconcentration of the SEA-RSF is for the purpose of improving the implementation of the SEA-K Integrated Program at the Regional Level.

The deconcentration process is expected to (1) expedite the immediate processing and release of capital assistance to the beneficiaries (2) improve control and management of SEA funds and (3) respond to other SEA-K Program related needs at the Regional Office.

At the Central Office, the main SEA-RSF shall be maintained as fund source for the pilot testing and implementation of newly developed SEA-K programs as well as the continued implementation of the SEA-K Level II referred to as "SEA Kabayan."

## 3.0. LEGAL BASIS

- 3.1. **REPUBLIC ACT NO. 5416 - Known as the SOCIAL WELFARE ACT of 1968-** An act stipulating among others the establishment of a Settlement and Revolving Fund; specifically:

Section 9 - Authority to receive grants and make direct purchase - The Department is hereby authorized to receive grants, bequests, donations and trust funds made or given for the purpose of promoting or assisting social welfare services. Such grants, bequests and donations so received shall be exempted from taxes.

Section 10 - Settlement and Revolving Fund. The Department of Social Welfare is hereby authorized to establish a Settlement and Revolving Fund. All income accruing from such projects shall form part of said revolving fund and that such be used exclusively for projects of bureaus concerned.

- 3.2. **EXECUTIVE ORDER NO. 123 s. 30 January 1987** - Reorganizing the Ministry of Social Services and Development now referred to as Department of Social Welfare and Development, reiterates the mandate of the Department as the primary arm of the government to promote the welfare and development of extremely disadvantaged individuals, families, groups and communities.

- 3.3. **EXECUTIVE ORDER NO. 15 s. 20 August 1998** - Redirecting the Functions and Operations of the Department of Social Welfare and Development to serve as the national policy and regulatory institution for social welfare and development.

3.4. **Commission on Audit Circular No. 91-368 - Instituting a Government Accounting and Auditing Manual (GAAM) and prescribing its use.**

**Under volume I Article 2:**

*"Section 121. Revolving fund - Revolving funds shall be established and maintained only where said funds are expressly created and authorized by law.*

*xxx PROVIDED, That interest and other income earned shall be deposited with the National Treasury and shall accrue to the Agency's General Fund pursuant to Section 65 of PD 1445 and Section 29 (1) of Article VI of the 1987 Constitution (Sec. 3, 1991 GAA)"*

*"Section 122. Trust Receipts - Receipts from non-tax sources authorized by law for specific purposes which are collected/received by a government office or agency acting as trustee, agent or administrator, xxx*

*xxx shall be treated as trust liability of the agency concerned and deposited in an authorized government depository bank or in the National Treasury, as the case may be, subject to the conditions prescribed under the Special Provisions of the agency concerned and to the rules and regulations as determined by the Permanent Committee created under Section 51 of PD 1177 (Sec. 45, BK VI, EO 292). Payment out of such funds shall be made in accordance with the purpose for which the fund is created and subject to accounting and auditing rules: Provided, That deposits in authorized government depository banks shall be withdrawable, subject to existing budget, accounting and auditing rules and regulations without the need for the issuance of a Notice of Cash Allocation: Provided, Further, That if the amount is deposited in a savings account, the interest shall accrue to the General Fund and shall be remitted to the National Treasury at the end of each quarter (Sec. 4, 1991 GAA)xxx*

**4.0. DSWD SEA REVOLVING & SETTLEMENT FUND (SEA RSF)**

**4.1. Regional DSWD SEA Revolving & Settlement Fund (RD SRSF)**

4.1.1. There shall be established in each of the DSWD Field Offices a REGIONAL DSWD SEA REVOLVING AND SETTLEMENT FUND (RD SRSF) which shall be treated as sub-account of the current DSWD RSF account at the LBP Batasan Branch. The latter shall consequently be treated as the Main Account.

4.1.2. The RD SRSF shall open and maintain an interest-bearing checking account with a Land Bank of the Philippines (LBP) branch nearest to the FO.

4.1.3. The amount of Twenty Thousand Pesos (P20, 000.00), to be transferred from the Main Account to the FO, shall initially constitute the RD SRSF Account.

4.1.4. After preparatory benchmarking and record reconciliation, the Central Office shall deconcentrate an amount equivalent to twenty five percent (25%) of the net regional rollback remittances for deposits to the Regional DSWD SRSF.

4.1.5. Henceforth, beginning January 2002, all rollback collections from SEA Kaunlaran Program Level I projects shall accrue and be deposited to the Regional DSWD SRSF. Moreover, all rollback collections funded from this account shall be remitted back to it including the Lingap SRSF Account.

4.1.6. All existing SEA Trust Fund Accounts at the Field Offices shall be closed and the bank balances deposited in the Regional DSWD SRSF.

#### **4.2. CENTRAL DSWD REVOLVING & SETTLEMENT FUND (CD-SRSF)**

4.2.1. The current DSWD SEA Revolving & Settlement Fund shall be maintained and shall henceforth be known as the CENTRAL DSWD SEA REVOLVING AND SETTLEMENT FUND (CD-SRSF). It shall be treated as the Main Account of the DSWD-SRSF.

4.2.2. The bank balance after withdrawing the Regional allocations shall constitute the CD-SRSF.

4.3. Pursuant to COA Circular No. 91-368 vol. 1 Art. 2, Sec. 121 & 122, all interests earned from savings deposits maintained under the Regional and Central DSWD SEA-RSF shall accrue to the said Funds and shall be reverted to the National Treasury. This shall be done by the Accounting Unit for the Regional SEA-RSF Accounts and Finance Service for Central SEA-SRSF Account on a quarterly basis.

#### **5.0. PURPOSE OF THE SEA REVOLVING AND SETTLEMENT FUND(SEA-RSF)**

5.1. Regional DSWD SEA-RSF shall be used to provide capital assistance to all approved project proposals for SEA-K Level I.

5.2. Central DSWD SEA-RSF shall be used for the purpose of providing capital assistance to:

5.2.1. All approved project proposals for SEA-K Level II;

5.2.2. Pilot Innovative SEA-K strategies

5.2.3. Resource augmentation to joint DSWD and NGOs/ POs SEA- K project.

## **6.0. ADMINISTRATION OF DSWD SRSF**

### **6.1. REGIONAL DSWD SRSF**

- 6.1.1. The FO Director together with the FO Cashier shall, after receipt of the appropriate Special Order, open the RD-SRSF account with a LBP branch nearest to the FO.
- 6.1.2. The Regional Cashier shall be responsible for the disbursement of capital assistance.
- 6.1.3. The Regional Accounting Unit shall be responsible for the fund management, which entails bookkeeping, maintenance of the subsidiary ledger, and shall prepare and submit financial reports to the Regional Director.
- 6.1.4. The Regional SEA Unit shall be responsible in tracking fund releases and rollback remittances of SKAs. It shall likewise maintain and update subsidiary ledgers per SEA-K according to project per fund source and per year of investment.

### **6.2. CENTRAL DSWD SRSF**

- 6.2.1. The Central Office SEA-RSF shall be under the direct supervision /management of the Office of the Secretary through the Management Operations Group (MOG).
- 6.2.2. Financial management of the said account shall be mainstreamed to the Finance Service which shall be in-charge of tracking the releases of funds, insure proper utilization and liquidation of such, and monitoring of adherence to proper accounting procedures as stipulated in the GAAM both in the National and Regional Level.
- 6.2.3. The Operations Group (OG) shall be in-charge of monitoring the releases and utilization of funds at both the Regional and Central SEA-RSF and shall be in-charge of the processing of project proposals of Level II, Innovative SEA-K Projects, and DSWD-NGO/PO joint projects.
- 6.2.4. The OG shall submit quarterly reports on the status of SEA-K implementation to the Office of the Secretary through the Office of the Undersecretary.
- 6.2.5. The Finance service shall submit monthly report regarding the cash position of the SEA-RSF to the Office of the Secretary through the Office of the Undersecretary.

- 6.3. All withdrawals from the DSWD-SRSF shall observe the general accounting and auditing procedure as stipulated in the Government Accounting and Auditing Manual (GAAM).

## **7.0. RATE OF CAPITAL ASSISTANCE**

- 7.1. The maximum amount of Capital Assistance per beneficiary shall be P5,000.00;
- 7.2. Innovative pilot projects of more than P5,000.00 shall be considered on a case to case basis and has to be approved by the DSWD Secretary or designated Undersecretary as endorsed by the OG;
- 7.3. Capital assistance of more than P5,000.00 but not exceeding P35,000.00 for level II shall be approved by the DSWD Secretary or designated Undersecretary as endorsed by the OG;
- 7.4. All capital assistance in excess of P35,000.00 for funding joint DSWD and NGOs project shall be approved by the DSWD Secretary or designated Undersecretary; PROVIDED, that the release of fund augmentation for NGOs/ POs/ and other partner organizations shall be subject to the recommendations of the Regional Offices, actual validation by the OG, adherence to policies stipulated in COA Circular 96-003, and criteria set by the DSWD regarding partner agencies.
- 7.5. Any adjustments in the amount of assistance shall be subject to the approval of the Secretary or designated Undersecretary.

## **8.0. FUND RELEASES/DISBURSEMENT**

### **8.1. REGIONAL DSWD SRSF**

- 8.1.1. All project proposal shall be approved by the Field Office Director, and supported by the following supporting documents or attachments:
- a. Recommendations of the LGU
  - b. Certificate of Eligibility
  - c. Proposed Amortization Schedule
  - d. Photocopy of Bankbook
  - e. Project Summary ( Capital Assistance and Type of Project Per Beneficiary)
  - f. SKA Resolution on Bank Signatories
  - g. Approved SKA Constitution and by-laws
  - h. Picture of Beneficiaries
  - i. MOA between DSWD and LGU
- 8.1.2. Disbursement of funds shall be in accordance with COA-DBM Joint Circular 9-81 as amended;

8.1.3. All fund releases shall be in the name of the SKA/SKG/SKI;

8.1.4. The beneficiaries shall acknowledge all capital assistance received within one (1) week upon receipt.

## 8.2. CENTRAL DSWD SRSF

8.2.1. All Level II (SEA-Kabayan) project proposals shall be released through fund transfer approved by the Secretary or designated Undersecretary. All approved proposals shall be supported by the following documents or attachments:

- a. SEC Registration
- b. Recommendations of the Field Office and LGUs
- c. Letter of Intent to Apply for Kabayan
- d. Social Case Study of SKAs
- e. Pictures of Kabayan members
- f. Certificate of Eligibility for Kabayan
- g. Photocopy of Saving Account for Kabayan
- h. Photocopy of Saving Account of Participating SKAs Reflecting Updated Savings Deposits
- i. Approved Amortization Schedule of Kabayan and SKAs
- j. Project Summary (Capital Assistance and Project Type per Beneficiary
- k. Organizational Checklist
- l. Mission, Vision, and Goals of the Kabayan
- m. MOA between DSWD and LGU
- n. Five(5) sample Individual Proposals with Affordability Analysis
- o. Supporting Document certifying ownership and or Security of Tenure for Beneficiaries Applying for Shelter Assistance

8.2.2. All fund releases for innovative pilot projects shall be approved by the Secretary or designated Undersecretary.

8.2.3. All fund releases for joint project for NGOs/POs SEA-K Projects shall be approved by the Secretary or designated Undersecretary. The proposals shall be supported by the following standard requirements:

- a. Recommendation of the Field Office Director for Funding
- b. Project Summary ( Capital Assistance and Type of Project Per Beneficiary)
- c. Picture of Beneficiaries ( Individual/ Group/ Association)
- d. Amortization Schedule
- e. Promissory Note / Agreement to Rollback Duly Signed by the Beneficiaries
- f. MOA Between the DSWD, LGU and the Partner NGO/PO

## 9.0. RECOVERY PROCESS

- 9.1 In general, the capital assistance shall be recoverable within a period of one to two years for Level I, one to three years for Level II, and one to two years for innovative pilot projects, except for projects which may require a longer repayment period as approved by the Secretary or designated Undersecretary.
- 9.2 All rollback remittances of SKA/SKG/SKI shall be remitted to the Regional SEA RSF through inter branch deposit accommodation based on agreed amortization schedule, and recovery period;
- 9.3.. All rollback remittances of SEA-Kabayan shall be remitted to the Central SEA RSF (Account Number; on-line 3122-2220-03/ non-online 3122-1099-75) through inter branch deposit accommodation based on agreed amortization schedule and recovery period;
- 9.4 All The capital assistance for joint DSWD and NGOs/POs SEA-K Projects released by the Regional SEA-RSF or Central SEA-RSF shall be recoverable within a period of one to two years and all remittances shall accrue to its respective fund source.

## 10.0. DSWD SEA RSF MONITORING/TRACKING

### 10.1. SEA-Kaunlaran Integrated Program- Level I

- 10.1.1. All PEO II shall submit monthly SKP Report Forms 3, 4a, 4b, and 5 to the PEO III every 5<sup>th</sup> day of the following month. The PEO 3 shall consolidate/summarize/analyze the said reports and submit the consolidated status reports of the SEA-K implementation to the Field Office Director on a monthly basis.
- 10.1.2. The Field Office shall submit Quarterly Status Report using the following prescribed format to the Office of the Secretary/Undersecretary through the Operations Group every 10<sup>th</sup> day after the quarter;
  - a. Table 1 -By Province/ District/ City/Municipality
  - b. Table 2 -By Fund Source and By Year
  - c. Table 3 -Status of Fully Paid SKAs
  - d. Table 4 -Breakdown of Individual Project By Business Type
- 10.1.3. On a monthly basis, the Field Director shall submit a report of Newly Funded SEA-K Projects using SKP form 3 to the Office of the Undersecretary through the OG.



- 10.1.4. The OG shall conduct periodic monitoring activities of the implementation of SEA-K Level I focusing on the fund utilization rollback status and organizational status of the SKAs.

#### 10.2. SEA-Kaunlaran Integrated Program-Level II

- 10.2.1. The OG shall conduct periodic monitoring activities on the implementation of the SEA-K Level II focusing on the utilization of funds, rollback activities of the member SKAs and Kabayan, and the organizational development of the same,

- 10.2.2. The Field Office shall submit a narrative report on fund utilization/ fund recovery/ status of project implementation to the Office of the Secretary/Office of the Undersecretary through the OG on a semestral basis using the following formats:

- a. SKP Form 9 - Kabayan Quarterly Rollback Status Report
- b. SKP Form 10 - Kabayan Quarterly Savings Report
- c. SKP Form 11 - Kabayan Interest Collection Report
- d. SKP Form 12 - Monthly Kabayan Arrears Report

#### 10.3. Innovative Pilot and Joint DSWD AND NGOs/POs SEA-K Project

Prescribed reporting formats shall be prepared by the OG regarding the status of Innovative Pilot and joint DSWD-NGO/PO SEA-K Project on a monthly basis. The reports shall focus on the following indicators:

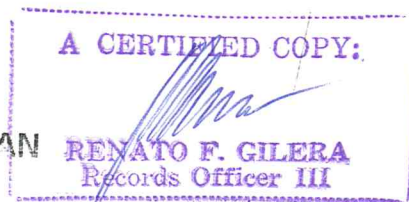
- a. No. of Beneficiaries per Province/Municipality/Barangay
- b. Amount of Capital Assistance Released by Year and Fund Source
- c. Status of Rollback and Savings Generation per Quarter
- d. Report on Newly funded Individuals/ Group/ Association per Month
- e. Breakdown of Types of Project

#### 11.0 EFFECTIVITY

This Order shall take effect immediately and revokes/ amends/ rescinds all previous Orders or Issuances inconsistent hereto.

Done this 19 day of December, 2001, Quezon City.

  
CORAZON JULIANO N. SOLIMAN  
Secretary



## New Reporting Form

### Fill Up Instruction

<p><b>1. Table - 1</b></p> <p><b>Status of SEA-K Implementation by Province/District/City/Municipality</b></p>	<p>➤ This report shows the status of Regional SEA-K implementation. This report is prepared quarterly and to be submitted to SEA-FMO Central Office on the 10<sup>th</sup> day of the month immediately succeeding the quarter.</p> <p>➤ <b>Main Section</b></p> <p>The main section of the report records the Program outreach, rollback collection as well as the capital growth thru savings that were made during the quarter.</p> <p><b><u>Program Outreach</u></b></p> <ol style="list-style-type: none"><li>1. Province/District/City/Municipality – corresponds to the specific area coverage of SEA-K Implementation</li><li>2. No. of SEA-K Projects – total cumulative number of funded SEA-K Projects (whether SKI, SKG or SKA excluding SEA-Kabayan SKAs each should be counted as 1 project).</li><li>3. No. of Members – total cumulative no. of members who have availed of the SEA-K Program</li><li>4. Capital Assistance – is the total cumulative funded cost of SEA-K Projects</li></ol> <p><b><u>Rollback Collection</u></b></p> <ol style="list-style-type: none"><li>1. Amount Due – is the total cumulative amount in principal which is due and demandable as</li></ol>
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	<p>of reporting period.</p> <p>2. Amount Paid - is the actual total cumulative principal payment as of reporting period as evidenced by a bank deposit slip.</p> <p><b><u>Capital Growth Thru Savings</u></b></p> <p>1. Expected Savings – is the required savings to be generated by the SKAs as follows:</p> <ul style="list-style-type: none"> <li>a. SEA-K Pangkababaihan 1993-96 - 30% of Rollback</li> <li>b. SEA-K 1993-2<sup>nd</sup> Qtr 1997 - 90% of Rollback</li> <li>c. SEA-K 3<sup>rd</sup> Qtr 1997 onwards - 50% of Rollback</li> </ul> <p>2. Total Savings – is the cumulative actual savings generated by the SKAs as of reporting period.</p> <p><b><u>Remarks</u></b></p> <p>1. Additional relevant information on the status of SEA-K implementation (Guide question to follow later).</p>
<p><b>2. Table - 2</b></p> <p><b>Status of SEA-K Implementation , by Year and Fund Source</b></p>	<p>The same instructions for Table – 1 except for 1<sup>st</sup> column:</p> <p><b><u>Program Outreach</u></b></p> <p>1. Year and Fund Source – corresponds to the year the project was funded and the source of its funding. Please take note that there are only two fund sources e.g. RSF and GAA. Hence, source other than RSF fall under GAA which shall be further dis-aggregated into program/project.</p>

**3. Table - 3**

**Status of Fully Paid SKAs**

- This report shows the status of fully paid SKAs which shall be reported to SEA-FMO Central Office on a quarterly basis.
1. Name of SKA – complete name of the SKA
  2. Address – complete address shall be indicated including the Brgy.
  3. Year Funded – year the project was funded
  4. Capital Assistance – amount of capital assistance provided to the Association
  5. Fund Source – corresponds to the source of fund as defined in Table - 2
  6. No. of Original Members – corresponds to the original number of SKA members
  7. No. of Active Members – corresponds to the active membership of the association as of reporting period
  8. Savings Generated – corresponds to the actual total savings generated as defined in Table -1
  9. Remarks – additional relevant information on status/performance of the SKA e.g. For Kabayan, Functioning as Kabayan, Awaiting for Kabayan, Active as Self-Reliant, Inactive and Disbanded

**4. Table - 4**

**Municipality/City with SEA-K Projects by Income Classification**

- This report shows the no. of Municipalities with and without SEA-K Projects per income classification. This report is to be submitted to SEA-FMO Central Office on a quarterly basis.
- Main Section
1. Province/City/District – corresponds to the Province/City and district coverage
  2. Total # of Municipalities/Brgys. – corresponds to the total number of municipalities/(brgys. For City) per province and district

	<ol style="list-style-type: none"> <li>3. With SEA-K Projects – corresponds to the no. of Municipalities as per income classification implementing SEA-K Projects</li> <li>4. Without SEA-K Projects – corresponds to the no. of Municipalities as per income classifications without SEA-K Projects</li> <li>5. Remarks – Name of Municipalities without SEA-K Projects and/or additional relevant information on SEA-K implementation</li> </ol>
<p><b>5. Table - 5</b></p> <p><b>Breakdown of Individual Project by Business Type</b></p>	<ul style="list-style-type: none"> <li>➤ This report shows the breakdown of individual project by business type on a cumulative basis. This is to be submitted on a quarterly basis.</li> <li>➤ Main Section</li> </ul> <ol style="list-style-type: none"> <li>1. Business Type – corresponds to the business category of members micro-enterprises</li> <li>2. Project type – corresponds to the individual type of projects of the members.</li> <li>3. No. of Projects - corresponds to the no. of projects per project type</li> <li>4. No. of Members – corresponds to the no. of members who are engaged in that type of projects</li> <li>5. Capital Assistance – total cost of that particular project type</li> <li>6. Rollback Rate – rollback remittance as per project type.</li> </ol>





Department of Social Welfare and Development  
 Field Office \_\_\_\_\_

**STATUS OF FULLY PAID SKAS**  
**For the Quarter Ending \_\_\_\_\_**

Name of SKA	Address	Year Funded	Capital Assistance	Fund Source	No. of Original Members	No. of Active Members	Savings Generated	Remarks



DSWD Field Office \_\_\_\_\_  
 STATUS OF SEA-K IMPLEMENTATION

**Breakdown of Individual Project  
 By Business Type**  
 For the Quarter Ending \_\_\_\_\_

Business Type	Project Types	No. of Projects	No. of Members	Capital Assistance	Rollback Rate
Agriculture	Farming				
	Hog Raising				
	Etc.				
Trade & Commerce	Buy and Sell				
	Etc.				
Manufacturing	Garments				
	Etc.				
Services	Beauty Parlor				
	Transportation				
	Etc.				
Food Processing	Tocino Making				
	Etc.				