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Department of Social Welfare and Development

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SUBJECT : **REVISED OMNIBUS GUIDELINES IN THE MANAGEMENT AND PROCESSING OF DONATIONS**

I. RATIONALE:

The Department of Social Welfare and Development (DSWD) recognizes the contribution and participation of registered, licensed and/or accredited Social Welfare and Development Agencies (SWDAs) in implementing social welfare and development programs and services to the poor, vulnerable and disadvantaged individuals, groups and communities. DSWD Administrative Order No. 17, series of 2008 entitled Rules and Regulations on the Registration and Licensing of Social Welfare and Development Agencies and Accreditation of Social Welfare and Development Programs and Services, outlines the benefits and incentives through endorsement of duty free entry of foreign donations to those registered, licensed and/or accredited SWDAs. Likewise, Section 105 paragraph 1 of the Revised Tariff and Customs Code of the Philippines (TCCP) allows said SWDAs an exemption from the payment of import duties on imported articles donated to them or for their account upon certification of the DSWD.

An average of twenty-one (21) typhoons hit the Philippine territory annually. In September and October 2009, the tropical storms Ondoy and Pepeng hit the country which flooded Metro Manila and more than twenty-four (24) provinces in Luzon. The typhoon affected millions of people and President Gloria Macapagal-Arroyo declared the Philippines under a state of calamity. Influx of huge imported goods were donated and consigned to either government or non-government organizations (NGOs). In the exigency of the current situation, the facility of Presidential Memorandum Order (PMO) No. 36 series of 1992, Authorizing the Importation and Donation of Food, Clothing, Medicine and Equipment for Use in the Government Relief and Rehabilitation Programs for Calamity Affected Areas under Section 105 (1) of the TCCP, as amended, has been utilized for availment of duty and/or tax free importation of donations. Further, with the need to immediately release the imported/donated goods from the Bureau of Customs (BOC) to agencies' warehouse, submission of the regular documentations required under PMO 36 were pending, which thus require the use of various strategies to facilitate quick releases of goods.

Administrative Order No. 53 series of 2003 entitled Omnibus Guidelines in the Management and Processing of Donations, was issued to provide a unified direction in the processing and management of donations. However, in six (6) years of implementation, there have been several issues and gaps that need to be addressed, such as timelines and post facilitation process, reports on value of shipments availed by the qualified SWDAs, and monitoring and evaluation component including processing of donations under PMO 36. Hence, the issuance of this guideline.

II. LEGAL BASIS:

This guideline is hereby promulgated based on the following legal mandates:

1. Revised Tariff and Customs Code of the Philippines as amended, specifically the following provisions:
 - a. Section 105 (l). Importation of Commodities states that “Imported articles donated to, or for the account of any duly registered relief organization, not operated for profit, for free distribution among the needy, upon certification by the Department of Social Services and Development (now DSWD) or the Department of Education, Culture and Sports (now Department of Education), as the case may be, shall be exempt from payment of import duties”.
 - b. Section 1205. Importations by the Government provides that “Except those provided for in Section One Hundred and Five of said Code, all importations by the government for its own use or that of its subordinated branches or instrumentalities, or corporations, agencies or instrumentalities owned or controlled by the government, shall be subject to duties, taxes, fees and other charges provided for in this Code”.
 - c. Section 2610 (Disposition of Unsold Articles for Want of Bidders specific to the last sentence of 2nd paragraph) provides that “If the article is suitable for shelter or consists of foodstuffs, clothing materials and medicines, then that article shall be given to government charitable institutions through the Department of Social Services and Development” (now DSWD).
2. Republic Act No. 4653 of 1966, otherwise known as an “Act to Safeguard the Health of the People and Maintain the Dignity of the Nation by Declaring it a National Policy to Prohibit the Commercial Importation of Textile Articles Commonly Known as Used Clothing and Rags”, Section 1, provides that it shall be unlawful for any person, association or corporation to introduce into any point in the Philippines textile, articles commonly known as used clothing and rags except when these are imported under paragraph “1” of Section 105 of Republic Act No. 1933, Tariff and Customs Code of the Philippines”.
3. Presidential Memorandum Order No. 23 of 1992, otherwise known as “providing for the Transfer of Forfeited and/or Abandoned Used Clothing in Customs Custody to DSWD” Section 1, provides that “All forfeited used clothing shall be immediately turned over by the BOC to the DSWD, as soon as the forfeiture decision becomes final and executory”.
4. Presidential Memorandum Order No. 36 of 1992, “Authorizing the Importation and Donation of Food, Clothing, Medicine and Equipment for Use in the government Relief and Rehabilitation Programs for Calamity-Affected Areas under Section 105 of the TCCP, as amended, and the applicable provisions of the prevailing General Appropriations Act covering the National Internal Revenue Taxes and Import Duties of the National and Local Government Agencies and Establishing a Special Facility Therefore, Section 2, provides that the Office of the President shall insure the necessary clearances to cover the aforesaid importations upon favorable endorsement by the DSWD with respect to relief clothing and food, Department of Health (DOH) with respect to medicines and the Department of National Defense (DND) with respect to rehabilitation equipment, as basis for the BOC to process and effect the release of the importations.
5. General Appropriations Act, Section 13 of 2009, provides that “National internal revenue

taxes and import duties payable by National Government Agencies to the national government arising from foreign donations, grants and loans are deemed automatically appropriated”.

6. Executive Order No 831 of 2009 otherwise known as “Authorizing the Department of Finance for the Duration of the Current Emergency, Complete Discretion in Authorizing Tax and Tariff Exemptions for Relief Goods Donated from Abroad” Section 1, provides that “the donated relief goods/articles/equipment for free distribution to calamity declared areas and victims of calamities and/or disasters shall be for the account of the Department of Social Welfare and Development or any of the relief organizations, not operated for profit, duly registered with the DSWD”

III. OBJECTIVES:

1. To provide a more comprehensive evaluation and enhanced procedures in the acceptance, processing and distribution of donations.
2. To efficiently and effectively regulate and monitor donations of imported articles to duly registered, licensed and/or accredited SWDAs.
3. To ensure that the foreign donated goods shall be received exclusively and entirely by the intended beneficiaries.
4. To prevent donated articles to be sold in the open market so as not to jeopardize the country’s economy.

IV. COVERAGE AND APPLICABILITY

This guideline covers and applies only to the following:

1. Foreign donations to or for any registered, licensed and/or accredited private SWDAs under Section 105 (I) of the Revised TCCP
2. Foreign donations of Food, Clothing, Medicine and Equipment for Use in the Government Relief and Rehabilitation Programs for Calamity Affected Areas under Presidential Memorandum Order No. 36
3. Foreign donations for the DSWD under the General Appropriations Act of 2009
4. Local donations from the BOC pursuant to PMO 23 and Section 2610 of the Revised TCCP

V. DEFINITION OF TERMS

The following terms are defined as used in this Guideline:

1. *Approved Plan* - is a duly notarized plan of distribution of donated goods, prepared by the SWDA concerned, confirmed by the Local Social Welfare and Development Office and endorsed by the DSWD Field Office.
2. *Bill of Lading or Airway Bill* – is ordinarily a mere convenient commercial instrument issued by a transport entity to a donor to transport and deliver the goods designed to protect the consignee/SWDA. It is a receipt that recites the place and date of shipment, describes the goods as to quantity, weight, dimensions, identification, marks, conditions, quality and value (Transportation and Maritime Law)

3. *Donated Imported Articles* - are food and non-food items, except used clothing, that can be used to respond to any situation affecting disadvantaged or distressed individuals and families in order to meet their basic needs. This may also be termed as foreign donations.
4. *Donations for the DSWD* - are commodities which the Department receive from both foreign and local sources, intended to benefit the Department and/or its programs and projects. These donations are facilitated and processed pursuant to existing laws governing donation to effect release from the BOC.
5. *Forfeited goods* – are commodities consisting of food and non-food articles, seized and confiscated by operatives of the BOC which remains unsold after at least two public biddings and are channeled to other offices of the national government for official use.
6. *Outer Port* – is any port of entry within the Philippines other than the Port of Manila (POM), Manila International Container Port (MICP) and Ninoy Aquino International Airport (NAIA).
7. *Non-Commercial Quantity of Relief Goods* – refers to the volume of food and non-food items that are donated, not in excess of the amount needed by the beneficiaries as specified in the notarized plan of distribution of the organization, as approved by the DSWD Field Office/s concerned.
8. *Non-Food Items* – refer to items other than food provided for relief and rehabilitation program by a SWDA. These may include mats, blankets, shoes, medicines, soap, cooking and kitchen utensils, etc. except used clothings.
9. *Packing List* – an itemized list of goods/articles with corresponding volume/units sent to the consignee/recipient of goods
10. *Resource Agency* – refers to a type of SWDA that provides tangible resources such as funds, food, clothing, medicines and shelter; or intangible resources such as knowledge, skills, courage and hope to help various SWDAs to achieve their goals in providing social welfare and development services for their beneficiaries.
11. *Social Welfare and Development Agency (SWDA)* - refers to a person, corporation or organization, engaged in providing directly or indirectly, social welfare services and obtains its finances either totally or in part, from any agency or instrumentality of the government and/or from the community by direct or indirect solicitations and/or fund drives and/or endowment. (Philippine Encyclopedia of Social Work 2000 Edition Volume 2).

VI. GENERAL POLICIES

To ensure the optimum and proper use of foreign donations in promoting the general well-being of the intended beneficiaries without prejudice to local potentials and initiatives, the following policies shall be observed to govern all donations consigned to SWDA or other government agencies:

1. Applicant

The certification/endorsement to be issued by the DSWD for duty and/or tax free entry shall pertain only to the importation, which is the subject of a particular request and shall not be used for another importation.

- 1.1. Registered, licensed and/or accredited SWDA are eligible to apply for availment of duty free entry of foreign donations under Section 105 (l) of TCCP
- 1.2. National Government Agencies (NGAs), Government Owned and Controlled Corporations (GOCCs), Local Government Units (LGUs) and registered, licensed and/or accredited SWDAs are eligible to avail of duty and tax free of importation of donations under PMO 36
2. *Fees and Charges* - An applicant applying for duty and/or tax free certification shall be charged a facilitation fee of P1,000.00.
3. *Accepted Foreign Donations*
 - 3.1. Each shipment should not exceed a quarter's requirement of the SWDA's social welfare and development program, except when there is a state of calamity that requires bigger volume of goods. Donations should be limited to food and non-food items only.
 - 3.2. Donation/importation of used clothing shall be strictly prohibited in order to safeguard the health of the people and maintain the dignity of the nation.
 - 3.3. Goods that are duty and/or tax free shall be limited to non-commercial quantity of relief commodities that are related and relevant to the purposes, programs and services written in the manual of operation and implemented by the SWDA
4. *Allowable Activities*
 - 4.1. The DSWD shall transact only with the SWDAs concerned or their duly authorized representatives. Recipient NGAs, GOCCs, LGUs or SWDAs shall make the necessary representation and follow-up of the request for endorsement from the DSWD, DOF and release shipment from BOC.
 - 4.2. Items not listed in the packing list or in excess of the approved plans shall not be released to the consignee and shall be forfeited in favor of DSWD. Notice on this shall be given by the DSWD to the BOC and the DOF, subject to existing laws.
 - 4.3. Donations received under PMO 36 shall solely be for distribution/use in areas declared in a state of calamity
 - 4.4. Foreign donors for resource agencies shall consign their donations only to duly DSWD registered SWDA and in certain cases, to DSWD. Re-consignment of the goods that have already arrived shall not be allowed pursuant to Memorandum Order dated March 21, 1998 issued by the DOF
 - 4.5. All releases, whether or not the port of entry is Manila, shall require the presence and signature of the duly authorized representative/s of the DSWD.
 - 4.6. All the subject goods shall be for free distribution exclusively to the identified beneficiaries of the SWDA. If in case there are changes on the target beneficiaries as reflected on approved distribution plan, the SWDA shall submit the amendment of approved plan of distribution and justification to the concerned DSWD-Field Offices for evaluation and approval. Said changes shall be approved first by the concerned DSWD-Field Office prior to actual distribution.

- 4.7. Importation of all goods shall be supported by the required documents as mentioned in the guidelines, including contracts/agreements if there are any, and shall not violate existing laws or policies and guidelines governing such importation.
 - 4.8. At least 50% of the donated goods on the previous shipment must have been distributed to the intended beneficiaries prior to request for availment of succeeding duty and/or tax-free of foreign donations.
 - 4.9. The concerned DSWD Office shall issue a special order to the authorized representative/s, personnel/s or intermediaries who will be involved in the processing of donations such as members of DSWD Team who will escort the goods from BOC to SWDA warehouse, Valuation/Monetization Team, among others.
5. Circumstances where application may no longer be considered for endorsement under Section 105 (l) of TCCP and PMO 36
 - 5.1. When goods have already been released by BOC to SWDA
 - 5.2. When goods have already arrived and have been in BOC warehouse for one (1) week
 - 5.3. When consignee is not a registered SWDA

VII. FOREIGN DONATIONS UNDER SECTION 105 (l) OF THE REVISED TCCP

1. Requirements

To facilitate the issuance of certification for duty free entry of foreign donations, the registered, licensed and/or accredited SWDA applicant shall submit three (3) copies of the following documents to the concerned DSWD Field Office for assessment at least two (2) weeks prior to the scheduled arrival of donations in the country. (Copies will serve as file of DSWD-Field Office, Standards Bureau and receiving copy for DOF)

- 1.1. Authenticated Deed of Donation from the Philippine Consular Office of the country of origin, with the accompanying certificate as to fitness of food and medicine for consumption and compliance with the country of origin's sanitary and phytosanitary standards
- 1.2. A separate Notarized Deed of Acceptance.
- 1.3. Copy of valid DSWD Registration, License and/or Accreditation Certificate.
- 1.4. Shipping documents such as original and/or duly certified true copy of Bill of Lading or Airway Bill and Packing List.
- 1.5. Notarized Plan of Distribution conformed by the Local Social Welfare and Development Officer, certified and endorsed by the DSWD Field Office(s) that has jurisdiction over the target area for distribution.
- 1.6. In case of medicines, a certification of the Department of Health (DOH)-Bureau of Food and Drugs (BFAD) that the commodities are allowed for free distribution and use by the intended beneficiaries without the need of a prior prescription and that these are safe for human consumption.
- 1.7. Notarized distribution report on latest shipment certified correct by the concerned

DSWD Field Office with attached Relief Distribution Sheets and photo documentation

- 1.8. In case of relief items other than food and medicines, proof of prior agreements or approved arrangements with appropriate government agencies.

2. *Procedures:*

2.1. Pre-application Process

- a. The duly registered, licensed and/or accredited SWDA shall consult with the concerned DSWD Field Office for the confirmation and approval of their plan of distribution before negotiating for, or accepting any foreign donations. The concerned DSWD Field Office shall confirm and approve the plan of distribution, stating the specific purposes, target beneficiaries, areas of distribution, and the kind and volume of goods relevant to the identified purposes.
- b. In cases where the registered, licensed and/or accredited SWDA operates nationwide, said SWDA shall secure approval from each DSWD-Field Office having jurisdiction over the area where the distribution of goods shall take place. The DSWD shall not allow SWDA with specific areas of operation, to expand their area of coverage for the purpose of accepting foreign donations.

2.2. Application Process

- a. The application letter together with the requirements shall be filed by the registered, licensed and/or accredited SWDA at the respective DSWD-Field Office where the intended distribution of goods shall take place. Likewise, the applicant shall pay the required processing fee at the DSWD-Field Office Cash Unit that will then issue an official receipt.
- b. The designated staff of the concerned DSWD-Field Office Standards Unit shall review and assess submitted application and requirements within three (3) working days upon receipt of the application for:
 - i. Completeness of documents
 - ii. Consistency of information indicated
 - iii. Proper plan of distribution (donations to be received vis-à-vis the target clientele to be served)
 - iv. Conduct of area visit/validation, if necessary
- c. Should the assessment be favorable, the DSWD Field Office shall forward the documents submitted by the qualified applicant with the assessment report and accomplished assessment tool to the DSWD Standards Bureau. Should there be deficiencies in the documents submitted, the DSWD Field Office shall return the application to the applicant and provide necessary technical assistance to comply with the requirements.
- d. Within three (3) working days upon receipt of the validation and assessment of the DSWD-Field Office, the Standards Bureau shall conduct final review and evaluation before any appropriate action be made.

i. *If approved*

The accomplished assessment tool with corresponding recommendations together with the following documents shall be forwarded to the DSWD Secretary or his/her authorized representative for approval:

- ❖ Endorsement letter addressed to the DOF indicating that the foreign donations consigned to qualified registered, licensed and/or accredited SWDA is free of duty.
- ❖ Conformance letter addressed to qualified applicant that they should comply with post-facilitation requirements to maximize the use of donations.
- ❖ Letter addressed to concerned DSWD-Field Office informing them that the recommended SWDA has been favorably endorsed to DOF for duty free entry and request them to monitor the actual distribution of goods to targeted beneficiaries.

The signed endorsement letter shall be hand carried to DOF by the authorized personnel of DSWD-Records Division provided that the conformance is signed by the head or authorized representative of the SWDA.

ii. *If disapproved*

The Standards Bureau shall send a letter to concerned DSWD Field Office copy furnished the applicant indicating reasons for disapproval of the application. The Field Office-Standards Unit shall then discuss the results of the application and provide necessary technical assistance to the applicant for the compliance of requirements within three (3) working days upon receipt of the said letter.

2.3. Processing of Release of Goods from BOC to designated SWDA Warehouse

- a. The authorized representatives of the DSWD Team from Central Office, if Manila port or the concerned DSWD-Field Office if outer port, shall guard/escort the goods directly from the concerned BOC to the SWDA designated warehouse. The DSWD-Team shall compose of two (2) permanent DSWD staff from PPG and GASSG Clusters (for Central Office) or Technical and Management Divisions (for Field Office)
- b. Five (5) days prior to the release of donation at the BOC, the SWDA shall write a letter to DSWD-Standards Bureau and/or concerned DSWD-Field Office informing them of the tentative schedule of release of goods and shall request DSWD to escort and witness releases of goods.
- c. DSWD-Standards Bureau or concerned DSWD-Field Office shall inform the DSWD Team on the schedule of release of goods and provide the latter copies of the approved endorsement to DOF, shipping documents and signed conformance letter.
- d. The DSWD Team shall witness and escort the release of donations from BOC to the SWDA designated warehouse. The Team shall inspect and observe the 100% unloading and stripping of donated shipment as well as conduct random sampling of the donations at the SWDA designated warehouse.
- e. Within five (5) working days after the inspection and random sampling, the

DSWD Team shall submit report and photo documentation to the DSWD-Standards Bureau and concerned DSWD-Field Office which shall indicate the following information:

- i. Name of SWDA and address of designated warehouse
- ii. Date goods were released from BOC and delivered to designated warehouse
- iii. Total amount paid by the SWDA e.g. VAT, arrastre, wharfage etc.
- iv. BOC-Informal Import Declaration and Entry
- v. Donations declared in Bill of Lading/Airway Bill and packing list vis-à-vis actual accounting/inventory of donations received
- vi. Other observations on the conditions of the goods received

2.4. Post Facilitation Process

- a. Within one (1) month from withdrawal at the BOC, SWDA shall submit to the concerned DSWD-Field Office a status report of the distribution or utilization of commodities in accordance with approved distribution plan.
- b. A report of utilization shall be submitted monthly thereafter until all the donated goods are utilized or distributed, as the case may be. Non-submission of the utilization report shall be a ground for refusal of certification for duty-free entry of succeeding donations or suspension of DSWD registration or license certificate.
- c. A notarized copy of the Distribution Summary Report and photo documentation, shall be submitted to the concerned DSWD Field Office, copy furnish the DSWD Standards Bureau as basis for validating the distribution of donations.
- d. The distribution of all donations shall be monitored by the concerned DSWD Field Office and/or authorized intermediaries and documented by the SWDA using the relief distribution sheets.

VIII. FOREIGN DONATIONS UNDER PRESIDENTIAL MEMORANDUM ORDER NO. 36

1. Consigned to Registered, Licensed and/or Accredited SWDA and Local Government Unit (LGU)

1.1. Requirements

- a. Requirements in facilitating donations under PMO 36 shall be the same as those indicated in item VII. 1. However, due to exigency of the goods in areas declared in a state of calamity, submission of requirements may be temporarily waived depending on the assessment of DSWD Program Management Bureau. Provided, necessary undertaking shall be signed and submitted to the DSWD by the applying NGAs, GOCCs, LGUs or SWDAs. The undertaking is a commitment letter of SWDA that indicates the timeline of submission of documentary requirements and non-submission of requirements might cause blacklisting on its succeeding application.

- b. Certification from the National Disaster Coordinating Council (NDCC) or the Local Sanggunian that the areas of distribution are declared as calamity areas either by virtue of a Presidential Proclamation or a Resolution by the Local Sanggunian.
- c. Relief and Rehabilitation Plan certified by the concerned DSWD-Field Office and/or Chairman of the NDCC or the Local Sanggunian certifying the relevance of the donations to meet the relief needs of victims covering a specific area, kind and volume of commodity requirement for number of victims.

1.2. Procedures:

- a. The application letter together with the requirements shall be filed by the LGUs or registered, licensed and/or accredited SWDA at the DSWD-Program Management Bureau. Likewise, the applicant shall pay the required processing fee at the DSWD Central Office-Cash Division that will then issue an official receipt
- b. The designated staff of the DSWD – Program Management Bureau shall review and assess submitted application and requirements within twenty-four (24) hours upon receipt of the documents as to:
 - i. Completeness of documents
 - ii. Consistency of information indicated
 - iii. Proper plan of distribution (donations to be received vis-à-vis the target clientele to be served)

If favorable

The accomplished assessment tool with corresponding recommendations together with the following documents and letter shall be forwarded to the DSWD Secretary or his/her authorized representative for approval:

- ❖ Endorsement letter addressed to the Presidential Management Staff-Office of the President indicating that the applicant LGU or SWDA is recommended for availment of duty and/or tax free of foreign donations.
- ❖ Conformance letter addressed to qualified applicant that they should comply with post-facilitation requirements to maximize the use of donations.
- ❖ Letter addressed to concerned DSWD-Field Office informing them that the concerned LGU or SWDA has been favorably recommended to Office of the President for duty free and/or tax free entry and requesting them to ensure the distribution of goods to beneficiaries.

The signed endorsement letter shall be hand carried to the Office of the President by the authorized personnel of DSWD-Records Unit provided that the conformance is signed by the head or authorized representative of the LGU or SWDA.

If not favorable

The DSWD-Program Management Bureau shall write and inform the LGU or SWDA on the reasons for disapproval of the application, discuss the results of the application and provide necessary technical assistance to the applicant for

the compliance of requirements.

1.3. Post Facilitation Process

The post facilitation process on the availment of duty and tax free under PMO 36 is the same with item 2.4 of Section VII. However, the report shall be submitted to Program Management Bureau copy furnish the Office of the President and concerned DSWD-Field Office.

2. *Consignment to National Government Agencies (NGAs)/Government Owned and Controlled Corporation (GOCCs)*

- 2.1. Other NGAs and GOCCs accepting/receiving donations for the government are encouraged to consign their donations/importations to DSWD to facilitate release of shipment from the BOC. However, all port charges accruing to the shipment shall be borne by the concerned requesting agency.
- 2.2. Compliance to submission of all documentary requirements such as bill of lading, packing list or invoice, deed of donation and other necessary clearances which may be required by the BOC is mandatory.
- 2.3. Processing of documents at the BOC will be handled by the concerned NGA's or GOCC's personnel. However, DSWD may provide technical assistance if necessary.
- 2.4. Report of relief goods distribution including photo documentation shall be directly submitted to the DSWD Program Management Bureau copy furnish the Presidential Management Staff, Office of the President, for monitoring purposes.

IX. FOREIGN DONATIONS FOR THE DSWD UNDER THE GENERAL APPROPRIATIONS ACT

1. *General Policies*

- 1.1. Donations with expiration date of less than a month at the time of delivery shall not be accepted.
- 1.2. Donors abroad who intend to send food commodity shall be informed that only food commodity with remaining lifespan of at least a year and complies with sanitary and phytosanitary standards will be accepted.
- 1.3. Foreign donations intended for a specific Field Office shall be forwarded to PMB for facilitation/processing at the BOC regardless of port of discharge.
- 1.4. DSWD attached agencies with available funds for handling and hauling should facilitate their own consignment, provided that the DSWD Central Office is apprised of such.
- 1.5. Except those facilitated thru bilateral/multi-lateral schemes, no donation shall be accepted if the cost of facilitation (handling, freight and hauling) including duties and taxes, is higher than the value of goods/donation.
- 1.6. Consistent with the provisions of R.A. No. 4653, the DSWD shall likewise adhere to the "no used clothing donation" policy. This is to support the local garment industry

and to prevent health hazards which may be transmitted thru used clothing.

- 1.7. Services of a private brokerage and forwarders shall be strictly limited to foreign donations in bulk cargo and/or with a volume of three (3) container vans and above. Hiring of forwarder/hauler for containerized donation that requires flatbed shall be allowed on a case-to-case basis.
- 1.8. Highly perishable goods, regardless of long shelf life, such as milk, flour and foodstuff in tetra, plastic or foil packages shall be inventoried and valued within three (3) working days upon receipt. Allocation of such goods shall be within three (3) working days after valuation and inventory is conducted.
- 1.9. Food commodity/medicines with deteriorating appearance regardless of its expiration shall be subjected to BFAD testing, to ensure fitness for consumption. Field Offices where BFAD is not accessible shall forward to the Donation Facilitation Unit samples of commodities for submission to BFAD for testing.
- 1.10. Food commodity with deteriorating/peculiar appearance upon delivery shall not be accepted for safety reasons.

2. *Requirements*

To facilitate and effect immediate withdrawal of donation from the BOC, the following documents are required from the donee:

- 2.1. Original Bill of Lading/Airway Bill/Parcel Notice
- 2.2. Packing list/invoice declaration
- 2.3. Deed of Donation duly authenticated by the Philippine Consular Office from point of origin.
- 2.4. Deed of Acceptance
- 2.5. Duly Accomplished Certificate of Official Importation
- 2.6. Duly Accomplished Certificate of Undertaking
- 2.7. Container guarantee (if containerized)
- 2.8. Special Power of Attorney (SPA) for Authorized Representative

3. *Procedures*

- 3.1. The Program Management Bureau (PMB) in coordination with the Donation Facilitation Unit (DFU) shall evaluate appropriateness as well as cost-effectiveness of donations (including donations for Field Offices), and recommend to the Secretary or to his/her authorized representative, acceptance or rejection of donation.
- 3.2. Bilateral donations facilitated/coordinated by the Philippine Embassies/Department of Foreign Affairs, are automatically accepted, to promote/foster diplomatic ties with donor country/ies except used clothings and/or expired donations.
- 3.3. Donors shall be informed by the DSWD on the acceptance or rejection of the donations.

- 3.4. The Donation Facilitation Unit shall prepare the necessary document and does the legwork to facilitate release of donations from the BOC to National Resource Operations Center (NROC)
- 3.5. Once approved at the BOC, donations shall be delivered to NROC for storage and distribution to intended beneficiaries

4. *Post Facilitation Process*

Within fifteen (15) days upon withdrawal of goods from BOC and delivered to the DSWD National Resource Operation Center (NROC), for Manila Port releases or DSWD-Field Office warehouse, for outer port release, the following activities shall be undertaken:

- 4.1. NROC/FO conducts 100% inventory of goods/donation received and submits report to the Secretary or to his/her authorized representative.
- 4.2. The Valuation Team monetizes/valuates the goods and submits report to the DSWD Secretary or his/her authorized representative to Finance Service and to Resident Commission on Audit Auditor
- 4.3. Finance Service enters/records the donation in the books of accounts, in compliance to the provisions of the General Appropriations Act.
- 4.4. Sending of acknowledgement of receipt donation and report of utilization to donor by Donation Facilitation Unit.

X. LOCAL DONATIONS FROM THE BUREAU OF CUSTOMS PURSUANT TO PMO 23 AND SECTION 2610 OF THE REVISED TCCP

The relentless anti-smuggling activities of the BOC operatives results to seizure and confiscation of various commodities, consisting of non-food, taxable and highly taxable, regulated and prohibited items.

To promote intensive collection of taxes and to help prevent or suppress smuggling and other fraudulent acts, the BOC subject to approval of the DOF Secretary authorizes the official use of articles (which remains unsold after 2 public biddings) by the National Government Pursuant to Sec. 2610 of the TCCP, as amended. If the article is suitable for shelter or consists of foodstuff, clothing materials or medicines, then the article shall be given to government charitable institutions through the DSWD.

To facilitate the transfer/turn over of used clothing at the BOC which do not require bidding prior to transfer, since importation thereof is prohibited per Sec. 1 of RA 4653, PMO No. 23 was issued. This Presidential Memorandum Order provides for the immediate turn over of used clothing by the BOC to the DSWD after two failed biddings.

1. *Procedures:*

To insure proper and optimum use of forfeited/abandoned/seized commodities and prevent its diversion to the domestic market or its illegal use, the following procedures shall be followed:

- 1.1. All forfeited/abandoned goods transferred to DSWD Central Office by the BOC shall be under the direct custody and accountability of Secretary or his/her authorized

representative through the Administrative Service-Donation and Facilitation Unit while those goods turned over at the Outer Ports shall be that of the DSWD - FO Director concerned. The accountable persons shall then ensure that:

- a. Commodities are properly receipted with the following documentation as enclosures:
 - i. Gate pass to contain seizure identification number, abandoned proceeding number, quantity, volume weight, estimated value, signature of required signatories with typewritten name below respective signatories and other relevant information on the shipment.
 - ii. Copy of forfeiture/declaration of abandonment.
 - iii. Certificate of Finality issued by the BOC.
 - iv. Deed of Donation.
 - b. Commodities are stored properly at NROC (National Level) and DSWD-Field Offices warehouses (Regional Level) separate from the other stocks of the Department and with complete documentation.
 - c. Coordination with the Bureau of Quarantine is effected relative to the requests for fumigation and other sanitation measures particularly on the used clothing/shoes before releasing and distributing same to beneficiaries.
 - d. Commodities are inventoried and repacked into family packages for proper valuation by the DSWD monetization committee for proper accounting and auditing purposes.
 - e. Distribution plan prepared by DSWD Field Office for donated goods/commodities received from the BOC Outer Ports need to be forwarded to the Secretary or to his/her authorized representative for approval.
 - f. Under no circumstances should the commodities be released for distribution in bales or in original packages.
 - g. Goods are released upon presentation of duly signed release document by the Secretary or to his/her authorized representative with approved work program of distribution.
 - h. Status report on receipts of releases and balances of said commodities shall be submitted within ten (10) days from receipt of the valuation and inventory, and monthly thereafter to the Program Management Bureau for validation, monitoring purposes.
- 1.2. The DSWD valuation/monetization team shall determine the monetary value of the commodities not more than one (1) month upon receipt of the transferred commodities at the NROC or at any designated warehouse where same is stored, subject to item IX.1.8. Report of valuation/monetization shall be submitted to the Accounting Division, for inclusion in the book of accounts and recording. The Office of the Secretary or his/her authorized representative, Property Division, Internal Audit Service and Resident Auditor shall likewise be furnished copy of said report.
- 1.3. The transfer of forfeited/abandoned goods to DSWD by the BOC is unconditional such that its allocation shall be based on the established need which may be

distributed through the following:

- a. DSWD Field Office, to include the requirements of LGUs, other Government Agencies/Units, and / or
 - b. Registered, licensed and/or accredited SWDAs operating in their area of coverage;
- 1.4. Recipient GAs, LGUs and registered, licensed and/or accredited SWDAs shall submit to DSWD Field Office copy furnish the Program Management Bureau status report on receipted commodities for integration in the Regional Report and/or the DSWD Report to the President and BOC within two (2) weeks upon receipt of the goods. Duly accomplished Relief Distribution Sheets (RDS) should also be submitted as supporting documents.
 - 1.5. Submission of monthly report shall be on or before the 10th day of the succeeding month of the report period.
 - 1.6. DSWD Field Offices shall monitor distribution of goods/commodities by the recipients, i.e. LGUs, other GAs and registered, licensed and/or accredited social welfare agencies. The DSWD Field Offices shall submit status report to Program Management Bureau including among others, concerns and issues in the commodity utilization thirty (30) days from receipt and monthly thereafter, until all receipted commodities are consumed/distributed. Program Management Bureau shall validate monitoring done by FOs.

XI. PENALTY CLAUSE

Pursuant to the first paragraph of Section 105 of the Revised of Tariff and Custom Code, “any article sold, bartered, hired or used for purpose other than that they were intended for without prior payment of the duty, tax and other charges which would have been due and payable at the time of entry if the article had been entered without the benefit of this section, shall be subject to forfeiture and the importation shall constitute a fraudulent practice against customs revenue punishable under Thirty Six Hundred and Two, as amended of this Code. Further, paragraph two of Section 3602 of the said Code provides that, ... “in addition to the punitive action of confiscation (forfeiture) of the imported goods the law has provided that the guilty party should also suffer by paying a fine and temporary loss of liberty; and if the offender is an alien, he is subject to deportation after serving his sentence.”

Violation of any of the above condition shall bar certification for duty and/or tax free entry of succeeding donations, and shall subject the SWDAs to revocation of its DSWD registration, license and/or accreditation certificate and/or its concerned officers or members to criminal, civil and administrative sanctions.

XII. REPEALING CLAUSE

Administrative Order No 53 series of 2003, Omnibus Guidelines in the Management and Processing of Donations and all other issuances inconsistent with the provisions of this Order are hereby revoked accordingly.

XIII. SEPARABILITY CLAUSE

In the event that any provision of this guideline is held invalid or unconstitutional, the other provisions not affected thereby shall remain valid and subsisting/existing.

XIV. EFFECTIVITY:

This Administrative Order shall take immediately and shall supersede all other DSWD guidelines, issuance or their specific provision/s inconsistent herewith.

Issued this 17TH of FEBRUARY, 2010 at Quezon City, Philippines.

C. Yangco
CELIA C. YANGCO
Acting Secretary
10/17/10

Annexes:

- DSWD-DFE Form 1 - Checklist of Requirements
- DSWD-DFE Form 2 - Plan of Distribution
- DSWD-DFE Form 3 - Summary of Distribution Report
- DSWD-DFE Form 4 - Relief Distribution Sheet
- DSWD-DFE Form 5 - Assessment Form
- DSWD-DFE Form 6 –Flowchart of Foreign Donations under Section 105 (l) of the Revised TCCP

Republic of the Philippines
Department of Social Welfare and Development

CHECKLIST OF REQUIREMENTS**A. FOREIGN DONATIONS UNDER SECTION 105 (I) OF THE REVISED TCCP¹**

- Authenticated Deed of Donation from the Philippine Consular Office of the country of origin, with the accompanying certificate as to fitness of food and medicine for consumption and compliance with the country of origin's sanitary and phytosanitary standards
- A separate Notarized Deed of Acceptance.
- Copy of valid and subsisting DSWD Registration, License and/or Accreditation Certificate.
- Shipping documents
 - Original and/or duly certified true copy of Bill of Lading or Airway Bill
 - Packing List.
- Notarized Plan of Distribution conformed by the Local Social Welfare and Development Officer, certified and endorsed by the DSWD Field Office(s) that has jurisdiction over the target area for distribution.
- In case of medicines, a certification of the Department of Health (DOH)-Bureau of Food and Drugs (BFAD) that the commodities are allowed for free distribution and use by the intended beneficiaries without the need of a prior prescription and that these are safe for human consumption.
- Notarized distribution report on latest shipment certified correct by the concerned DSWD Field Office with attached:
 - Relief Distribution Sheets
 - Photo documentation
- In case of relief items other than food and medicines, proof of prior agreements or approved arrangements with appropriate government agencies.

¹ All required documents shall be submitted/filed in three (3) copies to concerned DSWD Field Office at least two (2) weeks prior the scheduled arrival of donations

B. FOREIGN DONATIONS UNDER PRESIDENTIAL MEMORANDUM ORDER NO. 36²

- Authenticated Deed of Donation from the Philippine Consular Office of the country of origin, with the accompanying certificate as to fitness of food and medicine for consumption and compliance with the country of origin's sanitary and phytosanitary standards
- A separate Notarized Deed of Acceptance.
- Copy of valid and subsisting DSWD Registration, License and/or Accreditation Certificate, if private SWDA
- Shipping documents
 - Original and/or duly certified true copy of Bill of Lading or Airway Bill
 - Packing List.
- Relief and Rehabilitation Plan certified by the concerned DSWD-Field Office and/or Chairman of the NDCC or the Local Sanggunian certifying the relevance of the donations to meet the relief needs of victims
- In case of medicines, a certification of the Department of Health (DOH)-Bureau of Food and Drugs (BFAD) that the commodities are allowed for free distribution and use by the intended beneficiaries without the need of a prior prescription and that these are safe for human consumption.
- Notarized distribution report on latest shipment certified correct by the concerned DSWD Field Office with attached:
 - Relief Distribution Sheets
 - Photo documentation
- In case of relief items other than food and medicines, proof of prior agreements or approved arrangements with appropriate government agencies.
- Undertaking signed by the applying NGAs, GOCCs, LGUs or private SWDAs, if all the requirements are not yet available upon application and the donated goods are urgently needed by the victims of calamities . Undertaking is a commitment letter that indicates the timeline of submission of documentary requirements and non-submission of requirements might cause blacklisting on its succeeding application
- Certification from the National Disaster Coordinating Council (NDCC) or the Local Sanggunian that the areas of distribution are declared under calamity areas either by virtue of a Presidential Proclamation or a Resolution by the Local Sanggunian

² Requirements are only applicable to LGUs and private SWDAs

Republic of the Philippines
Department of Social Welfare and Development

PLAN OF DISTRIBUTION

Name of Agency : _____

Address: _____

Registration and/or License No. and Expiration Date: _____

Bill of Lading/Airway Bill No: _____ **Expected Date of Arrival:** _____

<i>Province/Municipality</i>	<i>Needs/Problems</i>	<i>Objectives</i>	<i>Intended Service/s</i>	<i>Target Beneficiaries</i>	<i>Specific Location</i>	<i>Volume Required</i>

This report must be notarized

Prepared by: _____
Name and Signature of Agency Social Worker/Date

Confirmed by: _____
Name and Signature of C/MSWDO/ Office/Date

Endorsed by: _____
Name and Signature of FO Director and/or his/her representative/Region/Date

Republic of the Philippines
Department of Social Welfare and Development

SUMMARY OF DISTRIBUTION REPORT

Name of Agency : _____

Address: _____

Registration and/or License No. and Expiration Date: _____

Bill of Lading/Airway Bill No: _____ **Date Released to SWDA:** _____

<i>Content</i>	<i>Volume Received</i>	<i>Date of Distribution</i>	<i>Area/s of Distribution</i>	<i>No of Beneficiaries</i>	<i>Good Distributed</i>		<i>Balance at Hand</i>
					<i>Items</i>	<i>Volume</i>	

This report must be notarized

Prepared by: _____
Name and Signature of Agency Social Worker/Date

Noted by: _____
Name and Signature of C/MSWDO/ Office/Date

Certified/Validated by: _____
Name and Signature of FO Director and/or his/her representative/Region/Date

Republic of the Philippines
Department of Social Welfare and Development

RELIEF DISTRIBUTION SHEET

Barangay: _____

Province/City/Municipality: _____

Region : _____

Programs and Services: _____

<i>Date Received</i>	<i>Name of Family Head</i>	<i>No. of Person</i>	<i>Series of Ration</i>	<i>No of Beneficiaries</i>	<i>Good Received</i>		<i>Signature of Recipient</i>
					<i>Items</i>	<i>Volume</i>	

Distributed by:

Noted by:

Name and Signature of Agency Staff/Date

Name and Signature of C/MSWDO/ Office/Date

Name of Agency and Address

DSWD-DFE Form 5

Republic of the Philippines
 Department of Social Welfare and Development

ASSESSMENT FORM

Date Request Received: _____

Name of Agency: _____

Office Address : _____

Registration and/or License No. and Expiration Date: _____

Bill of Lading/Airway Bill No: _____ **Date Released to Agency:** _____

Checklist of Required Documents:**A. Foreign Donations under Section 105 (l) of the Revised TCCP**

Items	Remarks
Authenticated Deed of Donation from the Philippine Consular Office of the country of origin, with the accompanying certificate as to fitness of food and medicine for consumption and compliance with the country of origin's sanitary and phytosanitary standards	
A separate Notarized Deed of Acceptance	
Copy of valid and subsisting DSWD Registration, License and/or Accreditation Certificate.	
Original and/or duly certified true copy of Bill of Lading or Airway Bill	
Packing List	
Notarized Plan of Distribution conformed by the Local Social Welfare and Development Officer, certified and endorsed by the DSWD Field Office(s) that has jurisdiction over the target area for distribution.	
In case of medicines, a certification of the Department of Health (DOH)-Bureau of Food and Drugs (BFAD) that the commodities are allowed for free distribution and use by the intended beneficiaries without the need of a prior prescription and that these are safe for human consumption	

Items		Remarks
	Notarized distribution report on latest shipment certified correct by the concerned DSWD Field Office with attached Relief Distribution Sheets	
	Photo documentation	
	In case of relief items other than food and medicines, proof of prior agreements or approved arrangements with appropriate government agencies	

B. Foreign Donations under Presidential Memorandum Order No. 36

Items		Remarks
	Authenticated Deed of Donation from the Philippine Consular Office of the country of origin, with the accompanying certificate as to fitness of food and medicine for consumption and compliance with the country of origin's sanitary and phytosanitary standards	
	A separate Notarized Deed of Acceptance	
	Copy of valid and subsisting DSWD Registration, License and/or Accreditation Certificate.	
	Original and/or duly certified true copy of Bill of Lading or Airway Bill	
	Packing List	
	Relief and Rehabilitation Plan certified by the concerned DSWD-Field Office and/or Chairman of the NDCC or the Local Sanggunian certifying the relevance of the donations to meet the relief needs of victims.	
	In case of medicines, a certification of the Department of Health (DOH)-Bureau of Food and Drugs (BFAD) that the commodities are allowed for free distribution and use by the intended beneficiaries without the need of a prior prescription and that these are safe for human consumption	
	Notarized distribution report on latest shipment certified correct by the concerned DSWD Field Office with attached Relief Distribution Sheets	
	Photo documentation	
	In case of relief items other than food and medicines, proof of prior agreements or approved arrangements with appropriate government agencies	

Items	Remarks
Undertaking signed by the applying NGAs, GOCCs, LGUs or private SWDAs, if all the requirements are not yet available upon application and the donated goods are urgently needed by the victims of calamities . Undertaking is a commitment letter that indicates the timeline of submission of documentary requirements and non-submission of requirements might cause blacklisting on its succeeding application	
Certification from the National Disaster Coordinating Council (NDCC) or the Local Sanggunian that the areas of distribution are declared under calamity areas either by virtue of a Presidential Proclamation or a Resolution by the Local Sanggunian	

Status of Previous shipment:

- _____ monitored
- _____ goods already distributed
- _____ goods not distributed, still intact
- _____ goods are unaccounted
- _____ not yet monitored

Recommendations:

Assessed by:

Name and Signature of DSWD Technical Staff

Designation

Noted by:

Name and Signature of Division Chief

Date

FOREIGN DONATIONS UNDER SECTION 105 (L) OF THE REVISED TCCP

