



**Republic of the Philippines**  
**Department of Social Welfare and Development**

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Administrative Order No: 18  
Series of 2010

**SUBJECT : ADDENDUM TO ADMINISTRATIVE ORDER NO. 14 SERIES OF 2007**  
**(Code of Ethics for Fund Raising)**

**I. RATIONALE**

Administrative Order (AO) No. 14 series of 2007 also known as Revised Omnibus Rules and Regulations on Public Solicitations was issued to regulate the solicitation activities conducted by persons, corporations, organizations or associations within the Philippines. This also promoted transparency and established the accountability of persons, corporations, organizations and associations that solicit funds from the public for charitable or public welfare purposes. However, the guidelines did not cover clear policies and procedures for the fundraising activities conducted by an individual/person.

For CY 2010, five (5) individuals have been issued solicitation permits by the DSWD-National Capital Region. Said individuals were asked to submit other requirements not stated in AO 14 series of 2007 and were issued a permit to solicit for the treatment of their own children/relatives who are suffering from chronic diseases and undergoing long term and expensive medication. Likewise, it was observed in various regions that individual solicitations are increasing in number and such activity may be used for mendicancy which is subject to abuse.

Further, the 1987 Philippine Constitution states that the State values the dignity of every human person. However, the Department has been receiving information either through internet, tri-media or other paraphernalia on fund raising activities where pictures of the poor, vulnerable and the disadvantaged individuals, families and communities especially children have been used to raise funds. There are photos that depict and demean the conditions of the said sectors that do not uphold their rights. Hence, the need for this addendum to AO 14 to address the above-mentioned concerns.

**II. LEGAL BASES**

1. 1987 Constitution of the Republic of the Philippines Article II Section 11 states that the "State values the dignity of every human person and guarantees full respect for human rights".
2. Presidential Decree No. 1563, Establishing An Integrated System For The Control And Eradication Of Mendicancy, Providing Penalties, Appropriating Funds Therefor, And For Other Purposes (Mendicancy Law of 1987) Section 2 states "prevent the commission of mendicancy".

3. Inter-Country Adoption Board Resolution No. 054-46 series of 2010, Addendum to the Policy on Photolisting of Children in the Internet states that “uploading of advertisement in the internet using Filipino children as means to solicit donation is prohibited”.
4. Republic Act No. 7610, Special Protection of Children Against Child Abuse, Exploitation and Discrimination Act Article I Section 2 states that it is a “policy of the State to provide special protection to children from all forms of abuse, neglect, cruelty exploitation and discrimination and other conditions, prejudicial their development; provide sanctions for their commission and carry out a program for prevention and deterrence of and crisis intervention in situations of child abuse, exploitation and discrimination”.

### **III. PRINCIPLES OF CONDUCT ON THE SOLICITATION ACTIVITIES**

The persons/individuals, corporations, organizations and associations issued a permit to solicit for charitable and public welfare purposes shall strictly adhere to the following principles of conduct:

1. The best interest of its beneficiaries shall be the priority and not the personal interest of the solicitor/s. Policies on this shall be in place and systematically implemented to prevent actual, potential or perceived conflict of interest.
2. Respect for the interest and intention of its donors, clients or patrons, and the general public.
3. Accountability for the solicitation of charitable and public funds, the efficient administration and effective use of funds shall be the responsibility of the endorsing office.
4. Manage the funds with the highest level of professionalism and integrity.
5. Solicitation and promotional materials should be accurate and truthful indicating its corporation, organization or association, its mission, and its intended use of solicited funds.
6. Engage only in fund drive campaigns that are not coercive, intimidating, or deceptive.
7. Respect for the integrity, privacy, and pride of its clients or patrons specifically, e.g. non-use of clients' pictures or their case histories in any form of or medium of publicity or fund raising activities without prior written consent of the targeted beneficiary/ies and/or beneficiary/ies' parents/guardians.
8. Contributions are only used in accordance with approved work and financial plan and obtain explicit consent from the DSWD before altering the intended use of the donations.
9. Adhere with the standard financial ratio on the utilization of funds which is 85% for program and 15% for administrative expenses.

#### **IV. Addendum to Part VI. General Policies:**

##### ***1. Individual Solicitation***

###### **a. Applicant:**

The application of an individual soliciting funds for his/her child/ren and/or relative/s suffering from chronic diseases that requires long term and/or expensive medication such as cancer, renal failure, cardio vascular diseases and the like shall be coursed through a DSWD registered and licensed Social Welfare and Development Agency (SWDA) or the Crisis Intervention Unit of the DSWD or Local Government Unit (LGU).

An individual shall be defined as a person who is a parent, guardian or immediate relative of a patient suffering from chronic diseases that requires long term and/or expensive medication. He/she shall be certified by the Social Worker of the Local Social Welfare and Development Office of his/her locality to be eligible to seek further assistance in behalf of the patient.

###### **b. Requirements:**

- b.1. Duly Accomplished Application Form signed by the applicant and endorsed by the Head of the DSWD registered and licensed SWDA or the Crisis Intervention Unit of the DSWD or LGU.
- b.2. Copy of the valid registration and license certificate of the endorsing registered and licensed SWDA.
- b.3. Applicant's Social Case Study Report from his/her localities duly signed by the City/Municipal Social Welfare and Development Office (C/MSWDO).
- b.4. Medical Certificate/Abstract and estimated Medical Cost/Expenses for the treatment of the patient/s duly signed by the attending physician indicating the physician's license number.
- b.5. Work and Financial Plan stating among others the target funds to be generated and its utilization for program and administrative cost.
- b.6. Endorsement letter from DSWD registered and licensed SWDA or the Crisis Intervention Unit of the DSWD or LGU allowing the applicant to raise funds under its name.
- b.7. Pledge of Commitment to conduct fund raising campaign duly signed by the applicant and endorsed by the DSWD registered and licensed SWDA or the Crisis Intervention Unit of the DSWD or LGU which shall state the following:
  - b.7.1. To limit the administrative expenses to no more than fifteen percent (15%) of the total collection and that eighty-five percent (85%) will be spent solely for the patient's medications.
  - b.7.2. To assume full responsibility for the legal and wise use of the total funds generated.

b.7.3. In cases, where medical treatment of the patient has been complete, the remaining funds shall be turned-over to the DSWD registered and licensed SWDA or the Crisis Intervention Unit of the DSWD or LGU to be used for its social welfare and development programs and services but subject for approval of the concerned DSWD Office that issued the permit. A letter to this effect shall be submitted to the concerned DSWD-Field Office.

b.8. Track Record of the Applicant

b.8.1. National Bureau of Investigation (NBI) Clearance

b.8.2 Police Clearance or Barangay Certificate

b.9. For specific requirements on the methodology to be used, please refer to VII. Requirements item 2 pages 7-9 of AO 14 series of 2007.

b.10. If for renewal, Fund Utilization Report of its proceeds and expenditures for the previous fund campaign duly certified by the auditor of the DSWD registered, and licensed SWDA.

**c. Procedure**

c.1 Endorsement letter from the DSWD registered and licensed SWDA or the Crisis Intervention Unit of the DSWD or LGU together with the set documentary requirements shall be filed in two (2) copies by the concerned individual at the respective DSWD-Field Office covering the region where the solicitation activity will be conducted. The applicant shall pay the required processing fee for Local Fund Campaign as indicated in AO 14 series of 2007 at the DSWD-Field Office Finance Service Unit that will then issue an official receipt.

c.2. Within five (5) working days upon receipt of the application and requirements, the designated staff of the concerned DSWD-Field Office shall assess the eligibility of the applicant and evaluate the veracity of the submitted documents.

c.3. The assessment report with appropriate recommendation of designated staff and the submitted requirements, shall be forwarded to the Regional Director or his/her authorized representative for approval or disapproval.

*c.3.1 If approved*

- The designated staff of Standards Unit shall issue the signed certificate to the applicant and provide orientation on the standard operating procedures in the inventory, monitoring and utilization of solicited funds for compliance.
- Endorse a copy of the permit to the concerned DSWD registered and licensed SWDA or the Crisis Intervention Unit of the DSWD or LGU that has jurisdiction over the applicant's fund drive activities for their information and reference.

*c.3.2. If disapproved*

Application shall be returned to the applicant copy furnish the DSWD registered and licensed SWDA or the Crisis Intervention Unit of the DSWD or LGU that has jurisdiction over the applicant's fund drive

activities for their information and reference. The Field Office-Standards Unit shall then discuss with the applicant the reasons for the disapproval and provide the necessary technical assistance to the latter.

**d. Responsibility of the SWDA**

DSWD registered and licensed SWDA or the Crisis Intervention Unit of the DSWD or LGU that has jurisdiction over the applicant's fund drive activity shall be accountable and liable for any actions of the latter relative to the issued permit. All documents for pre-application, during and post processes shall be kept/filed at the said SWDA office.

Upon request they shall provide information about their case for support, financial condition, use of donations, and fiscal responsibility, while respecting the privacy of donors.

**e. Validity of the Permit**

The permit to be issued shall be treated as local fund campaign and only valid in the approved area/s within the region for a definite period which in no case shall exceed six (6) months. Likewise, the name in the permit to be issued should be the DSWD registered and licensed SWDA or the Crisis Intervention Unit of the DSWD or LGU that has jurisdiction over the applicant's fund drive activities with the name of the applicant also included.

**f. Post Facilitation Process**

- f.1. At least one month before the expiry date of the permit, the individual to whom the solicitation permit was issued shall inform the concerned DSWD Field Office on the schedule of inventory/accounting of solicited funds. The inventory/accounting of collected funds shall be witnessed by the concerned DSWD Field Office through its Standards Unit and DSWD registered and licensed SWDA or the Crisis Intervention Unit of the DSWD or LGU that has jurisdiction over the applicant's fund drive activities.
- f.2. Within sixty (60) days after the expiry date of the authority to conduct solicitation, whether consummated or not, the individual to whom the authority was issued shall surrender the authority together with the following reports:
  - Fund utilization report verified/certified by the auditor of DSWD registered and licensed SWDA or the Crisis Intervention Unit of the DSWD or LGU.
  - List of donors and their corresponding addresses and contact numbers, if applicable.
  - Expired original certificate authorizing the conduct of local/national fund campaign.
  - If permit is unused, a justification for not continuing the fund campaign activity.
- f.3. If the solicited funds are not yet fully disbursed or utilized, the individual to whom the permit was issued through the DSWD registered and licensed SWDA

or the Crisis Intervention Unit of the DSWD or LGU shall submit a status report of the funds within the said sixty (60) days. A report shall be submitted monthly thereafter until all the solicited funds are utilized.

- f.4. The DSWD shall exercise its regulatory powers in the interest of the public. The duly authorized DSWD representative shall have authority to access documents and premises to verify the authenticity of any report submitted by auditing the financial statements or by monitoring the activities of the concerned DSWD registered and licensed SWDA or the Crisis Intervention Unit of the DSWD or LGU and individual including its book of accounts, record books, receipts issued and other activities related to the conduct of fund campaign. Thus, the DSWD Field Office where the application was filed, whether announced or unannounced, shall monitor/visit the conduct of fund-raising activities of the individual to whom the permit was issued to determine whether these are in accordance with the permit issued. A feedback report shall be submitted to the Regional Director within ten (10) working days after the monitoring visit. The latter shall then review and acknowledge the distribution and utilization report.

## 2. *Photolisting*

Photolisting refers to the posting of photos and identifying information of a child in printed materials, television, and videotapes as well as in the internet for purposes of soliciting donations, adoption among others thus, violating the child's rights to privacy.

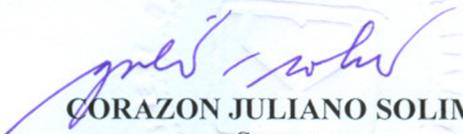
To enable the regulation of such strategy on solicitation, the following policies are provided:

- a. The solicitation paraphernalia should protect the beneficiaries' identity, privacy and confidentiality and shall not portray a dehumanizing picture or situation of the intended beneficiary/ies.
- b. If actual pictures of the beneficiaries are to be used, they should not show their faces but rather their activities while at the agency. No information on the beneficiary shall be uploaded/published.
- c. Solicitation paraphernalia should highlight the agency's thrust, activities and success stories rather than the life of the beneficiaries.

## V. **EFFECTIVITY:**

This Administrative Order shall take effect immediately.

Issued this 30th of December, 2010 at Quezon City, Philippines.

  
**CORAZON JULIANO SOLIMAN**  
Secretary