



Republic of the Philippines
Department of Social Welfare and Development

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MEMORANDUM CIRCULAR NO. 12
Series of 2015

GUIDELINES ON FEES AND CHARGES

I. RATIONALE

This issuance intends to:

1. Rationalize the rates of fees and charges being charged and collected by the Department; and
2. Provide a uniform procedure for reviewing and revising rates of fees and charges, and for imposing new fees and charges.

II. LEGAL BASIS

1. Book IV Chapter 12 Section 54(1) of Executive Order No. 292 (the Administrative Code) gives heads of bureaus, offices or agencies, upon approval of the concerned department head, continuing authority to revise their rates of fees and charges.
2. Administrative Order No. 31, series 2012 (“**AO 2012-31**”) directs heads of departments, bureaus, commissions, agencies, offices and instrumentalities of the national government to rationalize the rates of their fees and charges.
3. DOF-DBM-NEDA Joint Circular No. 1-2013 (the “**Joint Circular**”), or the implementing rules and regulations of AO 2012-31, provides guidelines for rationalizing the rates of fees and charges, increasing existing rates, and imposing new fees and charges.

III. DEFINITIONS

1. *Cost of Service* – refers to the sum of (i) direct costs (supplies/materials and salaries/wages of personnel involved) and proportionate share in the overhead expenses incurred in rendering the service, and (ii) such other readily identifiable incidental expenses incurred in rendering the service. The

cost of service shall be considered equivalent to the regular appropriation of the operating unit rendering the pertinent service as authorized in the General Appropriations Act (GAA) or other appropriation measures.

2. *Cost Recovery* – refers to the process of compensating the cost associated with the provision of services (including regulation), which involves collecting user fees to ensure long-term sustainability.
3. *Fees and Charges* – refers to levies imposed on direct recipients of public goods and services in the exercise of mandated regulatory and service delivery functions.
4. *Socioeconomic Impact* – refers to any potential positive or negative change in the socioeconomic environment of stakeholders whether directly or indirectly, that is expected to arise with the introduction and implementation of a policy intervention.
5. *Committee* – refers to the Revision of Fees Committee.

IV. COVERAGE

This issuance covers all fees and charges being charged and collected by the Department, including its Field Offices, Bureaus, Services, and Units.

V. POLICIES

The primary purpose of imposing fees is cost recovery. Hence, the rates of fees and charges must be reasonable and should at least be able to recoup the operating expenses incurred in rendering the service. Also, a balance should be struck between recovering the costs of services rendered and the socioeconomic impact of the fees and charges.

In determining rates, the following shall also be considered:

1. The direct cost of rendering the service based on current appropriation, which shall include the cost of supplies and materials, salaries and wages of personnel directly involved in the service and the proportionate share in the overhead expenses, including the depreciation costs of equipment used.
2. Inflation from the time the rates were last revised.
3. Rates shall, as much as possible, be uniform for similar or comparable services and functions offered by other government entities and shall approximate the cost of comparable services offered by private entities, based on local and/or international standards, as may be appropriate.

While the primary purpose of imposing fees is cost recovery, it would also ensure improvement in the quality of service delivery by treating the fees to be collected as the share to the cost of providing such service from the people benefiting from the service rendered.

VI. REVISION OF FEES COMMITTEE

1. A Revision of Fees Committee is hereby created to be composed of the following:

Chair	Undersecretary, General Administration and Support Services Group (GASSG)
Vice Chair	Director, Finance and Management Service (FMS)
Members	Director, Policy Development and Planning Bureau Director, Administrative Service Chief, Budget Division, FMS Chief, Accounting Division, FMS

2. The Committee shall:
 - a. Review existing fees and charges and conduct studies on the necessity of imposing new/revised ones, gathering data on the costs of delivery of services in order to compute the appropriate rates that will recover these costs.
 - b. Ensure that the guiding principles and the rules under the Joint Circular are observed and complied with.
 - c. Submit to the Secretary its report and recommendations regarding proposed new/revised fees and charges, containing the results of the aforementioned study, including (i) the legal and material bases and justification for the proposed rates, (ii) the implication and potential consequences of levying such new rates, and (iii) any comments or feedback received from the public.
 - d. Coordinate with the Task Force on Fees and Charges on matters pertaining to the implementation of AO 2012-31 and the Joint Circular.
 - e. Keep and maintain all records pertaining to the implementation of AO 2012-31 and the Joint Circular.
3. The Office of the Undersecretary for GASSG shall act as the Secretariat for the Committee.

VII. RATES OF FEES AND CHARGES FOR PUBLIC GOODS AND SERVICES RENDERED

The following shall be the rates of fees and charges for public goods and services rendered:

FEE/CHARGE		RATE	
SOLICITATION PERMIT FEES <i>for fund-raising campaigns</i>	Region-wide campaigns	PhP 500	
	Nationwide campaigns	PhP 1,000	
REGISTRATION, LICENSING AND ACCREDITATION FEES	Auxiliary Agency	PhP 1,000	
	Registration and Licensing of SWA	PhP 1,000	
	Accreditation of SWD programs and services	PhP 1,000	
FACILITATION FEES <i>for duty-free entry of foreign donations</i>		PhP 1,000	
ASSESSMENT FEES <i>for Day Care and other ECCD Centers and Service Providers</i>		N.A.	
CERTIFICATION FEES	CISD Practitioner/Debriefer	N.A.	
	CISD Expert	N.A.	
AFFILIATION FEES <i>for student or trainee under the National Service Training Program-Civil Welfare Training Service</i>	Caregiver trainee for six months or less	PhP 500	
	Caregiver trainee for more than six months	PhP 500	
	Students of social work and other courses for practicum placement	PhP 500	
	Foreign students undertaking field work, exclusive of board and lodging	USD 100	
TRAVEL CLEARANCE FEES <i>for minors travelling abroad alone or accompanied by persons other than their parents</i>	1 year validity	PhP 300	
	2 years validity	PhP 600	
FACILITY FEES <i>For use of dormitory, function rooms and other facilities</i>	Quarters		
	Central Office Dormitory	DSWD personnel	PhP 250
		Non-DSWD personnel	PhP 350
	SWADCAP Rooms	DSWD personnel	PhP 250
		Non-DSWD government personnel	PhP 400
Non-government personnel		PhP 900	
REPRODUCTION CHARGES <i>for Certified True Copies</i>		PhP 15/page	

FEE/CHARGE		RATE	
PROCUREMENT-RELATED FEES	Bid Documents	ABC (PhP)	
		500,000 and below	PhP 500
		> 500,000 to 1M	PhP 1,000
		> 1M to 2.5M	PhP 2,500
		> 2.5M to 5M	PhP 5,000
		> 5M to 7.5M	PhP 7,500
		> 7.5M to 10M	PhP 10,000
		> 10M to 30M	PhP 15,000
		> 30M to 50M	PhP 25,000
		> 50M to 500M	PhP 50,000
		> 500M	PhP 75,000
	Contractor/ Supply Registry	Initial Registration	PhP 1,000
		Renewal	PhP 500
Registration/Certification of Class "A" Eligibility Documents		PhP 1,000	

Where the rate indicated is "N.A.", the Department shall no longer impose or collect any fee or charge for those particular services.

Affiliation Fees for Filipino students and trainees shall be collected from the schools in which they are enrolled.

Regional Directors may, based on the rates above and upon approval by the Committee, set the rates for fees or charges for facilities of their respective Field Offices.

VIII. PROCEDURE FOR IMPOSITION OF NEW OR REVISED FEE

1. The following units of the Department shall be primarily responsible for the indicated fees and charges:

FEE/CHARGE	RESPONSIBLE OFFICE
SOLICITATION PERMIT FEES	Standards Bureau
REGISTRATION, LICENSING AND ACCREDITATION FEES	Standards Bureau
FACILITATION FEES	Standards Bureau
ASSESSMENT FEES	Standards Bureau

FEE/CHARGE	RESPONSIBLE OFFICE
CERTIFICATION FEES	Standards Bureau
AFFILIATION FEES	Human Resource and Development Bureau
TRAVEL CLEARANCE FEES	Protective Services Bureau
FACILITY FEES	Administrative Service
REPRODUCTION CHARGES	Administrative Service
PROCUREMENT-RELATED FEES	Procurement Service

- Each of these offices shall determine if there is a need to revise the existing rates of the respective fees and charges for which it is responsible.

Any other unit of the Department that believes the rate of a fee or charge should be revised shall forward its recommendation to the responsible office.

- Any unit of the Department that believes it should collect a new fee or charge may also propose the imposition of such fee or charge.
- The proponent office shall undertake all necessary preparatory acts, which may include but need not be limited to (i) identification and evaluation of the potential socioeconomic impact on stakeholders of the proposed new rate, fee or charge, (ii) holding public hearings, and (iii) consulting stakeholders.
- Where applicable, on or before the end of August every year, the proponent office shall submit to the Committee its recommendation to revise the rate of any fee or charge.

The recommendation shall include the justification therefor and shall be supported by complete staff work, which would include a discussion of the proposal's possible adverse effects as well as projected beneficial effects, such as, but not limited to, increased financial burden on users and decreased utilization by users vis-à-vis better quality of service and enhanced sustainability of the service, estimated amount of collections expected, and computation used to arrive at the proposed rates.

- The Committee shall review and assess all recommendations received, guided by the principles provided under AO 2012-31, the Joint Circular, and other applicable law, rules and regulations.

The Committee shall then submit its recommendations to the Secretary on or before the end of September of every year.

Where applicable, the Committee shall draft the appropriate administrative issuance to put its recommendations into effect.

7. The Secretary shall then, after consultation with the Executive Committee, determine if the Committee's recommendation is acceptable. If so, the Secretary shall issue the appropriate administrative issuance on or before the end of October of every year.
8. The administrative issuance shall then be published in accordance with applicable laws, rules and regulations.
9. Any new rate, fee or charge approved in accordance with the foregoing shall take effect on the first day of January of the succeeding year.

IX. EFFECTIVITY AND REPEALING CLAUSES

1. This Memorandum Circular shall take effect fifteen (15) days after the completion of its publication in a newspaper of general circulation in the Philippines and posting in conspicuous places in the premises of the Central Office and Field Offices, and on the Department website.
2. All previous issuances or portions of issuances relative to fees and charges contrary to or inconsistent with this issuance are hereby repealed, modified or amended accordingly.

18 June 2015, Quezon City, Philippines.


CORAZON JULIANO-SOLIMAN
Secretary