



## MEMORANDUM CIRCULAR

No. 17

Series of 2024

### SUBJECT : FINANCIAL GUIDELINES ON THE RECEIPT AND UTILIZATION OF FOREIGN AND LOCAL CASH DONATIONS AND GRANTS

#### I. RATIONALE

In line with the Department of Social Welfare and Development (DSWD) objective to simplify systems and procedures in the management and utilization of donations for purposes of accountability, transparency, efficiency and responsiveness, the review of existing guidelines and procedures governing the processing of donations in the Department has been undertaken.

Currently, there are numerous donations entrusted to the DSWD due to the occurrence of various natural and human-induced calamities. The use and utilization of these donations have been a challenge for the Department. Consequently, there is more demand from the donors, bilateral and multilateral organizations, other stakeholders and the public for transparency, accountability and reporting of these donations.

Sections 5 and 6 of the General Provisions of the General Appropriation Act (GAA) for Fiscal Year 2024 state that the Department may accept donations, contributions, grants, bequests or gifts, in cash or in kind, from various sources, local or foreign, for purposes relevant to its functions. As such, the Department is accepting local and foreign donations and grants from various donors that will support the implementation of the existing programs and projects.

The GAA provides that the receipt of cash donations shall be deposited with the National Treasury and recorded as Special Account in the General Fund, provided that those donations for a specific purpose with a term not exceeding one (1) year shall be treated as trust receipts but likewise shall be deposited with the National Treasury.

Moreover, the Commission on Audit (COA) has issued COA Circular 2014-002 on the Accounting and Reporting Guidelines on the receipt and utilization of the National Disaster Risk Reduction and Management Fund (NDRRMF), cash and in-kind aids/donations from local and foreign sources, and funds allocated from the agency's regular budget for Disaster Risk Reduction and Management (DRRM) program. However, the subject of audit findings by the COA, among others, have always been on the slow utilization of cash donations specifically when cash donations remain unutilized for a period of one to two years. The cash donations take a number of months to accumulate before they may be made available for programming considering that there are allocations for Calamity Fund and augmentation support from the government.

Hence, the existing guidelines on cash donations were reviewed to ensure that they are properly accounted for in the books of the agency in accordance with pertinent accounting and auditing rules and regulations and are utilized promptly.

## II. LEGAL BASES

- a. General Provisions of the General Appropriation Act for Fiscal Year 2024.
- b. Office of the President of the Philippines Memorandum Circular No. 16 dated April 11, 2017 or "Request for Authorization to Negotiate and Sign International Agreements, and Agreements Covering Borrowings, Guarantees and Foreign Grants".
- c. COA Circular No. 2014-002 or the Accounting and Reporting Guidelines on the receipt and utilization of NDRRMF, cash and in-kind aids/donations from local and foreign sources, and funds allocated from the agency regular budget for Disaster Risk Reduction and Management (DRRM) Program dated April 15, 2014.
- d. COA Circular No. 2015-007 or the "Prescribing the Government Accounting Manual for Use of All National Government Agencies" dated October 22, 2015.
- e. DSWD Memorandum Circular No. 09, Series of 2006 also or the "Procedural Guidelines on the Receipt and Utilization of Donations in Kind and in Cash".
- f. DSWD Administrative Order No. 13, Series of 2020 also known as "2020 DSWD Guidelines and Protocols for Contract Drafting, Review, Implementation and Monitoring".
- g. Executive Order (EO) No. 292, Book VI, Chapter 5 Section 43. Liability for Illegal Expenditure. "Every expenditure of obligation authorized or incurred in violation of the provisions of this Code or the general and special provisions contained in the annual General or other Appropriations Act shall be void".
- h. EO No. 292, Book VI, Chapter 7, Section 80. Misuse of Government Funds and Property. "Any public official or employee who shall apply any government fund or property under his administration or control to any use other than for which such fund or property is appropriated by law shall suffer the penalty imposed under the appropriate penal laws."



- i. EO No. 338, Series of 1996 or the “Directing the Deposit of Cash Balances to the National Government Agencies of All Cash Balances to the National Treasury”.

### III. OBJECTIVES

- a. To prescribe procedural guidelines on the receipt and utilization of cash donations and grants from domestic or local sources and foreign sources or foreign funding institutions/agencies for the implementation of various programs and projects of the DSWD.
- b. To prescribe proper accounting, documentation, control processes and reporting for an efficient and transparent system of management of cash donations.
- c. To establish systems and procedures for timely utilization of the cash donations received and immediate implementation of the programs/projects/activities by which the cash donations have been programmed.
- d. To fix the period of utilization of the cash donations and grants received and in the implementation of the programs/projects/activities (PAPs) by which these have been programmed.

### IV. COVERAGE

These guidelines cover the procedures on the receipt, utilization, recording and reporting of all donations and grants in cash, from local and foreign sources, for the purpose of disaster relief, early recovery and rehabilitation, Centers and Residential Care Facilities (CRCFs) cost of care, implementation of other DSWD programs and projects in the Central Office (CO) and Field Offices (FOs), and other purposes as identified by the donor/grantor.

### V. DEFINITION OF TERMS

For the purpose of these guidelines, the terms stated below shall be construed to mean as follows:

- a. **BUDGET EXECUTION DOCUMENTS (BEDs)** – refers to the documents that contain the agency plans, spending schedules and physical targets to be submitted to the Department of Budget and Management (DBM) for evaluation and consolidation. (*DBM Circular No. 2022-14 dated October 28, 2022*)
- b. **CASH DONATION** – refers to the assistance or contribution from the donor entity/individual to the National Government in the form of cash or cheque regardless of type of currency, including e-money.

- c. **CASH RECEIPTS RECORD (CRR)** – refers to the record used by the designated Collecting Officer to record his/her collections and deposits.
- d. **COLLECTING OFFICER** – refers to the bonded DSWD regular employee whose duties permit or require the possession or custody of government funds and who shall be accountable therefore and for safekeeping thereof in conformity with law authorized to collect money from various sources and issue an Official Receipt (OR).
- e. **GRANT AGREEMENT / GRANT RESOLUTION** – refers to the legal document/contract executed between the grantor and the DSWD where the grantor provides funds for the implementation of a specific project/program of the latter.
- f. **DIRECT DEPOSITS** – refer to the donations directly deposited by the donors to the DSWD Donation Accounts.
- g. **DSWD DONATION ACCOUNTS** – refers to the Dollar Savings Account and Peso Current Account.
- h. **FINANCIAL PLAN (BED 1)** – refers to the document containing the estimated obligation program for the budget year broken down by quarter, and current year obligations.
- i. **GRANT** – refers to the funds received by the DSWD from various local and foreign grantors for the implementation of a specific project. This is usually covered by a Grant Agreement or Grant Resolution. The grantor also requires the DSWD to submit physical and financial accomplishment/liquidation reports on the grants provided.
- j. **JOURNAL ENTRY VOUCHER**- refers to the recording of the financial transactions of the government in the books of accounts, whether cash receipts, cash disbursements or non-cash transactions.
- k. **MONTHLY DISBURSEMENT PROGRAM (BED 3)** - refers to the document containing the projected monthly disbursements for the budget year by type of disbursement authority.
- l. **NOTICE OF CASH ALLOCATION (NCA)** – refers to the document issued by the DBM to support the cash releases to the DSWD.
- m. **NO OBJECTION LETTER** – is a written expression from the donor or grantor on the approval or concurrence with any requested amendment or deviation of the DSWD on the provisions indicated in the originally signed donation documents such as Deed of Donation and Acceptance, Grant Agreement, etc.
- n. **ORDER OF PAYMENT (OP)** – refers to the document being accomplished by the Accounting Division/Unit stating the nature and the amount of collections before the receiving of funds by the Cashier/Collecting Officer.



- o. **PHYSICAL PLAN (BED 2)** - refers to the document containing the physical targets for the budget year broken down by quarter, and current year accomplishments.
- p. **REPORT OF COLLECTIONS AND DEPOSITS (RCD)** – refer to the report prepared by the Cashiers/Collecting Officers to report all collections received and deposits made to an Authorized Government Depository Bank as of specific date and shall be maintained by a fund cluster.
- q. **SAVINGS** – refer to project savings or excess cash earmarked for a particular program/activity/project after all the project expenses have been settled, including cash donations which were not earmarked for a particular program within one (1) year or before the end of the ensuing year.
- r. **SPECIAL ALLOTMENT RELEASE ORDER (SARO)** – refers to the specific authority issued by the DBM to one or more identified agencies to incur obligations not exceeding a given amount during a specified period for the purpose indicated.
- s. **SPECIAL BUDGET** – refers to the budgetary plan to access funds deposited to the Bureau of the Treasury (BTr) and released to the DSWD to support the implementation of various programs and projects.
- t. **SUBSIDIARY LEDGER** – refers to the book of final entry containing the details or breakdown of the balance of the controlling account appearing in the General Ledger.
- u. **TRUST RECEIPTS** – refer to the receipts that are officially in the possession of government agencies or a public officer as trustee, agent, or administrator, or which have been received for the fulfillment of a particular obligation.
- v. **UNUTILIZED BALANCE** – refers to the cash donations and grants which were not earmarked for a particular activity within one year or at the end of the project implementation. This shall be refunded to the grantor/donor or remitted to the BTr, whichever is applicable.
- w. **WORK AND FINANCIAL PLAN (WFP)** – refers to the document containing the specific project plans, spending schedules and physical targets approved by the Head of the Agency.

## VI. OPERATIONAL GUIDELINES

### A. GENERAL

- a. All donations and grants in cash exceeding PhP5,000.00, except those anonymous donations that are directly deposited to the DSWD Donations Accounts, shall be covered by the following instruments:
  - Cash Donations – Cash Donation and Acceptance Form (CDAF)

- Cash Grants – Notarized Grant Agreement/Resolution or Memorandum of Agreement

An OR shall be issued by an authorized Collecting Officer to acknowledge receipt thereof.

- b. In case of donations in cash from private donor residing abroad, signed CDAF and OR may be sent via electronic mail.
- c. Grant Agreement/Resolution or Memorandum of Agreement shall (MOA) be forwarded to the DSWD Legal Service/Unit for contract review. Signed and notarized copy of said documents shall likewise be forwarded to DSWD Legal Service/Unit or Office of the Regional Director for safekeeping pursuant to Section D of DSWD AO 13 s. 2020.
- d. The acceptance of cash grants, for the purpose relevant to the functions of the DSWD, received from foreign government, their agencies and instrumentalities or multilateral institutions or organizations, shall be subject to the prior clearance and approval by the President or his authorized representative based on the recommendation of the Secretary of Finance. On the other hand, acceptance of other donations from foreign government, their agencies and instrumentalities or multilateral institutions or organizations, acceptance thereof shall be subject to the prior clearance and approval by the President or his authorized representative based on the recommendation of the Secretary of Foreign Affairs.
- e. Cash donations and grants received shall be deposited/remitted to the BTr.
- f. All foreign donations and grants in cash remitted to BTr shall be recorded as Special Account in the General Fund and will be requested for Special Budget from the DBM.
- g. All local donations and grants in cash remitted to BTr with more than one (1) year of implementation shall be recorded as Special Account in the General Fund and will be requested for Special Budget from the DBM.

On the other hand, local donations and grants remitted to BTr with a term not exceeding one (1) year shall be treated as Trust Receipts and shall be requested for the issuance of NCA from the DBM.

- h. The issuance of a SARO and/or NCA shall be requested from the DBM supported by a Certification of Deposit from the BTr.
- i. The WFP shall be crafted by the concerned Office/Bureaus/Sections/Units (OBSUs) within 30 days upon receipt of the BTr's Certificate of Deposit, otherwise, the same shall be elevated to the concerned Cluster Head for appropriate action.



- j. All disbursements shall be based on the WFP in accordance with the purpose specified in the CDAF, Grant Agreement, Grant Resolution or MOA, as may be applicable.
- k. The period of implementation shall be based on the agreement between the DSWD and the donor/grantor, otherwise, the grant/donation shall be utilized within one year.
- l. The utilization of donations and grants shall be in accordance with the existing budgeting, accounting and auditing rules and regulations.
- m. Savings from cash donations generated from the implementation of the DRRM programs shall accrue to the General Fund as agreed by the identified donor.
- n. For anonymous donations, the purpose and terms of implementation shall be implemented within one (1) year on the basis of the duly approved WFP, and any unutilized balance shall accrue to the General Fund.
- o. Transactions in foreign currencies shall be initially recognized in the DSWD books of accounts based on the spot exchange rate issued by the Bangko Sentral ng Pilipinas on the date of deposit.

## **B. SPECIFIC**

### **B.1 CASH DONATIONS**

This section provides the procedure for the receipt of cash donations and its utilization for the immediate implementation of the different Programs/Activities/Projects (PAPs).

#### **a. Receipt of Donations from Walk-In Donors**

- i. The Designated Collecting Officer shall receive cash/check from the donor based on the OP prepared by the Accounting Division/Section and issues OR and CDAF<sup>1</sup> (as applicable) to acknowledge receipt thereof. The OR and CDAF shall be prepared in three copies and shall be distributed as follows:

Original - Donor

Copy 2 - To be attached to the Report of Collections and Deposits (RCD)

Copy 3 - Cash Division/Unit file

The donor has also the option to make use of the Landbank Link.BizPortal for cash donations per Financial Management Service (FMS) memorandum

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<sup>1</sup> signed by the Secretary or authorized representative through Special Order

dated August 22, 2023. The FOs are encouraged to promote the system through posting of marketing materials or procedural steps for donor's information and guidance.

- ii. The Centers and Residential Care Facilities (CRCFs) of the DSWD are also authorized to accept cash donations. The DSWD Field Offices shall designate Collecting Officer for each CRCF holding a permanent position, through a Regional Special Order and shall be adequately bonded in accordance with BTr - Treasury Circular No. 2-2019 and 1-2022, the Revised Omnibus Regulations Governing the Fidelity Bonding of Accountable Public Officers and Supplemental Guidelines. Each designated Collecting Officer of the CRCFs shall maintain a cash vault to safe keep undeposited collections.

For ease of transaction and in compliance with Government Accounting Manual (GAM), the Accounting Division/Section may send the copy of OP to CRCFs via electronic mail as basis for the issuance of OR.

- iii. The Designated Collecting Officer in CRCF shall immediately record the collection in the Cash Receipts Record (CRR) and prepare/submit monthly reports such as Report of Collection and Deposit (RCD) and Report of Accountability for Accountable Forms (RAAF) to the FO on a monthly basis on or before 5th of the following month.

Note: It shall be the duty of the FOs to coordinate with the DSWD Central Office on the cash donations received for the centralized request of Special Allotment Release Order (SARO) and/or Notice of Cash Allocation (NCA).

**b. Direct Deposit to DSWD Donation Accounts**

- i. The DSWD has designated centralized bank accounts in Landbank of the Philippines, Batasan Branch maintained by the DSWD CO where the donor can directly deposit cash donations as follows:

LBP Bank Account No.	Particular
<b>3122-1011-84</b>	<b>Peso Current Account</b>
<b>3124-0055-81</b>	<b>Dollar Savings Account</b>

- ii. In case of cash donations obtained through direct deposit, with notification from the Donor or through the Department of Finance (DOF) or the Department of Foreign Affairs, the concerned OBSUs shall request for a copy of a validated deposit slip from the donor to be attached to the CDAF and shall be forwarded to the Accounting Division/Unit for the preparation of OP. Based on the OP, the Cash Division/Unit shall issue a corresponding OR to the donor.



- iii. In case of unidentified deposits, a copy of a validated deposit slip or any document available from the concerned Landbank of the Philippines Servicing Branch shall be requested by the Cash Division to identify the donor on a daily basis for reporting purposes.
- iv. All direct deposit or bank to bank transfer to the bank account maintained by the DSWD for donations shall be issued OR when the donors can be identified through verifiable documents such as, but not limited to bank issued documents. The donor shall inform and furnish the DSWD of the details of the donations made for the issuance of OR. The Cashier/Collecting Officer shall issue corresponding OR when the information from the donor is received and available.
- v. All other procedures for the collections and deposits thru the Collecting Officer are provided in Sec. 40 Chapter V of the GAM Vol. 1.

**c. Direct Deposits to the Bureau of the Treasury**

- i. The concerned OBSUs shall inform the Accounting Division/Unit on the donation received by the DSWD which is directly deposited to the account of the BTr;
- ii. The Accounting Division/Unit shall secure a copy of a validated deposit slip or any relevant document from the donor through coordination with the concerned OBSUs;
- iii. The Accounting Division/Unit shall prepare an OP on the basis of the validated deposit slip and other relevant document and shall be forwarded to the Cash Division/Unit for the issuance of OR;
- iv. The Cash Division/Unit shall issue an OR and shall record the collection in the CRR.

**d. Receipt of Donation through the Land Bank Link.biz portal**

- i. The Cash Division/Unit shall verify daily and generate reports from the Land Bank Link.biz portal of the donations received;
- ii. The Accounting Division/Unit shall prepare an OP based on the generated report of the Land Bank Link.biz portal and shall forward the same to the Cash Division/Unit for the issuance of OR.
- iii. The Cash Division shall issue an OR and shall record the collection in the CRR.

**e. Remittance to the Bureau of the Treasury**

- i. Cash donations regardless of currencies received by the Cashier/Collecting Officer shall be remitted to the BTr within the day or not later than the following working day.

For an exceptional cases in CRCFs, remittance to BTr may take place within three (3) working days upon receipt of donations, provided that it will be safe kept in the cash vault.

- ii. Cash donations directly deposited to the DSWD designated account shall be remitted to the BTr on a monthly basis or as the need arises.
- iii. Cash Donations remitted to the BTr shall be re-accessed through the issuance of a SARO and/or NCA from the DBM. The NCA will be credited to the DSWD Modified Disbursement System (MDS) Special/ Trust Account, as the case may be.

**f. Re-accessing of Funds**

- i. The Accounting Division/Unit shall request a Certification of Deposit from the BTr corresponding to the amount of donations remitted.
- ii. Upon receipt of a Certification of Deposit, the Accounting Division/Unit shall transmit the document to the concerned OBSUs with the instruction on the preparation of the WFP and BED No. 3 – Monthly Disbursement Program, copy furnish the Budget Division/Unit.
- iii. The concerned OBSUs shall prepare/accomplish the WFP and BED No. 3 – Monthly Disbursement Program and shall be submitted to the DSWD CO –FMS Budget Division.
- iv. The WFP and BED No. 3 must be prepared and submitted within thirty (30) days upon receipt of a Certificate of Deposit from the BTr by the concerned OBSUs. In absence of justifiable reason, the same shall be elevated to the concerned Cluster Head for appropriate action after the lapse of thirty (30) days.
- v. The WFP must be approved as follows:

Office	Amount	Recommending Authority	Approving Authority
CO	PhP100,000.00 and below	Head of Office	Cluster Head
	Above PhP100,000.00	Cluster Head	DSWD Secretary



FO	PhP100,000.00 and below	Concerned Division Chief	Regional Director
	Above PhP100,000.00	Regional Director	DSWD Secretary

- vi. The DSWD CO-FMS Budget Division shall check the correctness of the WFP and BED No. 3 and if in order, shall prepare a letter request to the DBM for the issuance of SARO and/or NCA.

**g. Utilization**

- i. The receipts of cash donations shall be made available for the use of the Department pursuant to the purposes specified by the donors.
- ii. All donations from anonymous donors shall be utilized for the purpose, as identified, subject to the approval in accordance with the preceding section B.1.f.v, as to specific PAPs.
- iii. The accumulated receipts of cash donations with specific purpose/s shall be requested by the concerned OBSUs for the implementation of the particular PAPs in accordance with the purpose specified by the donor. Such request must be duly approved in accordance with the preceding section B.1.f.v.
- iv. The project proposal shall be prepared from time to time when necessary and approved by the Undersecretary concerned or Regional Director based on the approved WFP.
- v. The donations shall be utilized within timelines specified in the agreement, if any. Extension of the timelines including return of unutilized balance shall be based on the agreement with the donors.
- vi. Donations without specified timelines must be utilized within one year from date of receipt. Those which remained unutilized after one year shall be remitted to the National Treasury and shall form part of the General Fund of the government subject to the approval in accordance with the preceding section B.1.f.v
- vii. The DRRM programs must be implemented immediately within one year or before the end of the ensuing year from its programming.
- viii. Revisions to the WFP shall be made as soon as the savings have been determined from the original WFP or before the lapse of the one-year period or the end of the ensuing year. Realignment from the original purpose of the WFP must also be indicated in the revised WFP.

- ix. Charges or utilization of cash donations shall be made thru the issuance of a MDS or Advice to Debit Account (ADA), based on a duly approved Disbursement Vouchers.
- x. The detailed procedures for disbursements by checks and ADA are indicated in Sections 12 and 56 Chapter 6 of the GAM Vol. 1.

## **B.2 GRANTS**

This section provides the procedure for the receipt of grants and its utilization for the immediate implementation of the different PAPs of the Department.

### **a. Receipt of Grants Through Checks**

- i. The Accounting Division/Unit shall issue an OP corresponding to the amount of grant received.
- ii. The Cashier/Collecting Officer shall receive check from the grantor based on the OP prepared by the Accounting Division/Unit and shall correspondingly issues an OR;
- iii. The OR shall be prepared in three copies and shall be distributed as follows:
  - Original - Donor
  - Copy 2 - To be attached to the RCD
  - Copy 3 - Cash Division file
- iv. The Cashier/Collecting Officer shall immediately record the collection in the CRR;
- v. The grant received shall be remitted to the BTr within the day or not later than the following working/banking day.

### **b. Receipt of Grants through the DOF**

- i. The concerned OBSUs shall inform the Accounting Division/Unit on the grant received by the DSWD, through the DOF, which is directly deposited to the account of the BTr;
- ii. The concerned OBSUs shall provide a copy of a validated deposit slip, bank transfer or any document as a proof of grant received by the DSWD to the Accounting Division/Unit;
- iii. The Accounting Division/Unit shall request a Certification of Deposit from the BTr on the basis of the documents provided by the concerned OBSUs;



### c. Re-accessing of Funds

- i. Upon receipt of a Certification of Deposit, the Accounting Division/Unit shall transmit the document to the concerned OBSUs with the instruction on the preparation of the WFP and necessary BEDs, copy furnish the Budget Division/Unit.
- ii. The concerned OBSUs shall prepare/accomplish the following documents as required by the DBM.
  - a. BED 1 – Financial Plan
  - b. BED 2 – Physical Plan
  - c. BED 3 – Monthly Disbursement Program
- iii. The WFP, BEDs, Grant Agreement/Grant Resolution and Office of the President Approval (*as applicable*), shall be submitted by the concerned OBSUs to the DSWD CO-FMS Budget Division.
- iv. The WFP and BEDs 1, 2 and 3 must be prepared within thirty (30) days upon receipt of a Certificate of Deposit from BTr by the concerned OBSU, otherwise, the same shall be elevated to the concerned Cluster Head. The WFP shall be approved by the Secretary or authorized representative, in accordance with the purposes specified by the donors, if any, or for DRRM programs/projects/activities.
- v. The DSWD CO-FMS Budget Division shall check the correctness of the BEDs and if in order, shall prepare a letter request to the DBM for the issuance of a SARO and NCA.

### d. Utilization

- i. The receipts of grants shall be made available for use of the Department pursuant to the purposes specified by the grantor.
- ii. The project proposal shall be prepared from time to time when necessary and approved by the Undersecretary concerned based on the approved WFP.
- iii. The grants shall be utilized within the timelines specified in the agreement. Extension of the timelines including return of unutilized balance shall be based on the agreement with the grantor.
- iv. The concerned OBSUs shall secure a No Objection Letter from the grantor in case of a realignment or changes in the Grant Agreement.
- v. Charges or utilization of grants shall be made thru the issuance of a MDS Checks or an ADA, based on duly approved Disbursement Vouchers.

- vi. The detailed procedures for disbursements by checks and ADA are indicated in the GAM Volume I.

### C. RECORDING AND REPORTING

- i. The receipt, deposit and utilization of grants and cash donations shall be recorded in Fund Clusters 3, 4 and 7 as follows:

#### **Fund Cluster 3 – Special Account –Locally Funded/Domestic Grants Fund**

The grants and cash donations to be recorded herein shall be from domestic/local donors/grantors with more than one (1) year of project implementation. The funds will be available for use by the DSWD through the issuance of a SARO and NCA from DBM. The NCA shall be credited to the MDS Special Account.

#### **Fund Cluster 4 – Special Account –Foreign Assisted/Foreign Grants Fund**

The grants and cash donations to be recorded herein shall be from foreign donors/grantors. The funds will be available for use by the DSWD through the issuance of a SARO and NCA from the DBM. The NCA shall be credited to the MDS Special Account.

#### **Fund Cluster 7 – Trust Receipts**

The grants and cash donations to be recorded herein shall be from local donors/grantors with a project implementation timeline not exceeding one (1) year. The funds will be available for use by the DSWD through the issuance of NCA from the DBM. The NCA shall be credited to the MDS Trust Account.

- ii. The cash donations for disasters and calamities shall be maintained in a separate subsidiary ledger for "Trust Liabilities-DRRMF" per COA Circular No. 2015-007. Likewise, the CO and FOs are required to maintain an updated side record/list of cash donations for posting in the DSWD official website.
- iii. A report on the status of cash donations shall be posted daily to the DSWD's website. A monthly report shall be submitted to the management.



- iv. All other recording and reporting procedures for the cash donations are provided in COA Circular 2014-002, Section B.
- v. The accounting journal entries are as follows:

➤ **Foreign Cash Donations and Grants (regardless of period of implementation)**

1. Receipt of grants and cash donations  Cash - Collecting Officer Due to NGAs-BTr	XXX   XXX
2. Deposit to BTr  Due to NGAs-BTr Cash – Collecting Officer	XXX   XXX
3. Receipt of NCA  Cash – MDS, Special Account Subsidy from National Government	XXX   XXX
4. Utilization of cash donations  Appropriate expense account Cash – MDS, Special Account	XXX   XXX
5. Fund transfer to FOs  CO – Subsidy to Regional Offices Cash, MDS, Special Account  FO – Cash, MDS, Special Account Subsidy from CO	XXX     XXX
6. Refund of Unutilized Balance/Lapse NCA  FO - Subsidy from CO Cash, MDS, Special Account  CO – Subsidy from National Government Subsidy to Regional Office  or  CO -Subsidy from National Government	XXX   XXX   XXX

Cash, MDS, Special Account	XXX
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➤ **Local Cash Donations and Grants (With More Than One Year of Project Implementation) for Various Purposes Except for Disasters and Calamities**

1. Receipt of grants and cash donations Cash - Collecting Officer Income from Donations and Grants in Cash	XXX XXX
2. Deposit to BTr Cash-Treasury Agency Deposit-Special Cash – Collecting Officer	XXX XXX
3. Receipt of NCA Cash – Modified Disbursement System (MDS), Special Account Cash – Treasury Agency Deposit, Special	XXX XXX
4. Utilization of cash donations Appropriate expense account Cash – MDS, Special Account	XXX XXX
5. Fund transfer to FOs CO – Subsidy to Regional Offices Cash, MDS, Special Account FO – Cash, MDS, Special Account Subsidy from CO	XXX XXX
6. Refund of Unutilized Balance/Lapse NCA FO - Subsidy from CO Cash, MDS, Special Account CO – Cash, Treasury, Agency Deposit, Special Subsidy to Regional Office	XXX XXX XXX XXX



➤ **Local Cash Donations and Grants (With a Term Not Exceeding One Year of Project Implementation) for Various Purposes Except for Disasters and Calamities**

1. Receipt of grants and cash donations  Cash - Collecting Officer Income from Donations and grants in Cash	XXX	XXX
2. Deposit to BTr  Cash-Treasury Agency Deposit-Trust Cash – Collecting Officer	XXX	XXX
3. Receipt of NCA  Cash – MDS, Trust Cash – Treasury Agency Deposit, Trust	XXX	XXX
4. Utilization of cash donations  Appropriate expense account Cash – MDS, Trust	XXX	XXX
5. Fund transfer to FOs  CO – Subsidy to Regional Offices Cash, MDS, Trust  FO – Cash, MDS, Trust Subsidy from CO	XXX	XXX
6. Refund of Unutilized Balance/Lapse NCA  FO - Subsidy from CO Cash, MDS, Trust  CO – Cash, Treasury, Agency Deposit, Trust Subsidy to Regional Office  -Cash, Treasury, Agency Deposit, Trust Cash, MDS, Trust	XXX  XXX	XXX  XXX

➤ **Cash Donations for Disasters and Calamities – With More Than One Year of Project Implementation**

1. Receipt of grants and cash donations		
Cash - Collecting Officer Trust Liabilities – Disaster Risk Reduction and Management Fund (DRRMF) <i>(Collection of donations by the Cashier)</i>	XXX	XXX
Or	XXX	
Cash, Local Currency, Current Account Trust Liabilities – DRRMF <i>(Direct Deposit to DSWD Donation     Accounts)</i>		XXX
2. Deposit to BTr		
Cash-Treasury Agency Deposit-Special Cash – Collecting Officer or Cash, Local Currency, Current Account	XXX	XXX
3. Receipt of NCA		
Cash – MDS, Special Cash – Treasury Agency Deposit, Special	XXX	XXX
4. Utilization of cash donations		
Appropriate expense account Cash – MDS, Special	XXX	XXX
5. Adjustment at the end of the month		
Trust Liabilities – DRRMF Appropriate expense account	XXX	XXX
6. Fund transfer to FOs		
CO – Trust Liabilities - DRRMF Cash, MDS, Special Account	XXX	XXX
FO – Cash, MDS, Special Account Trust Liabilities - DRRMF		
7. Refund of Unutilized Balance/Lapse NCA		



FO - Trust Liabilities - DRRMF Cash, MDS, Special Account	XXX	XXX
CO – Cash, Treasury, Agency Deposit, Special Trust Liabilities - DRRMF	XXX	XXX

➤ **Cash Donations for Disasters and Calamities – With a Term Not Exceeding One Year of Project Implementation**

1. Receipt of grants and cash donations  Cash - Collecting Officer Trust Liabilities – Disaster Risk Reduction and Management Fund <i>(Collection of donations by the Cashier)</i>  Or  Cash, Local Currency, Current Account Trust Liabilities – Disaster Risk Reduction and Management Fund <i>(Direct Deposit to DSWD Donation Accounts)</i>	XXX        XXX	XXX        XXX
2. Deposit to BTr  Cash-Treasury Agency Deposit-Trust Cash – Collecting Officer, Cash, Local Currency, Current Account	XXX	XXX
3. Receipt of NCA  Cash – Modified Disbursement System, Trust Cash – Treasury Agency Deposit, Trust	XXX	XXX
4. Utilization of cash donations  Appropriate expense account Cash – Modified Disbursement System, Trust	XXX	XXX
5. Adjustment at the end of the month  Trust Liabilities – Disaster Risk Reduction and Management Fund Appropriate expense account	XXX	XXX
6. Fund transfer to FOs		

CO – Trust Liabilities - DRRMF Cash, MDS, Trust	XXX	XXX
FO – Cash, MDS, Trust Trust Liabilities – DRRMF		
7. Refund of Unutilized Balance/Lapse NCA		
FO - Trust Liabilities - DRRMF Cash, MDS, Trust	XXX	XXX
CO – Cash, Treasury, Agency Deposit, Trust Trust Liabilities – DRRMF	XXX	XXX

**VII. INSTITUTIONAL ARRANGEMENT**

**a. OFFICE OF THE CLUSTER HEADS CONCERNED shall:**

- i. Be the overall in-charge of the management of all donations received by the Cluster;
- ii. Monitor and evaluate project implementations;
- iii. Monitor fund utilization; and
- iv. Coordinate with the concerned OBSUs;

**b. DSWD OBSUs shall:**

- i. Facilitate the request for clearance and approval from the Office of the President or its authorized representatives through recommendation of the Secretary of Finance or the Secretary of Foreign Affairs, whichever is applicable, prior to entering into a contract with the foreign grantor/donor as prescribed in these guidelines;
- ii. Facilitate drafting, signing and notarization of the contract with the grantor/donor, if applicable;
- iii. Coordinate with the FMS for the proper identification of its fund category and provision of needed technical assistance, if applicable.
- iv. Facilitate the approval of a WFP in accordance with the purpose specified in the agreement;



- v. Prepare the following BEDs as required by the DBM on the request for the release of a SARO and/or NCA:
  - BED No. 1 – Financial Plan
  - BED No. 2 – Physical Plan
  - BED No. 3 – Monthly Disbursement Program
- vi. Administer the implementation of the projects as indicated in the WFP;
- vii. Prepare the request for fund transfer to the FOs;
- viii. Ensure the full utilization of funds;
- ix. Prepare accomplishment reports as required by DSWD Office of the Secretary and the grantor/donor; and
- x. Initiate the refund of unutilized balance to BTr or donor, whichever is applicable

**c. Legal Service shall:**

- i. Review draft contracts between the DSWD and grantor/donor;
- ii. Provide the needed technical assistance to the concerned OBSUs;
- iii. Safe keep original copy of contracts.

Note: Applicable sections shall also be done by the Legal Unit at the Regional Office.

**d. Financial Management Service:**

- i. The Accounting Division shall:
  - 1. Prepare and issue OP for donations and grants received from identified donors/grantors;
  - 2. Request for the issuance of a Certification of Deposit from the BTr together with the Letter Request, photocopy of the Disbursement Vouchers, photocopy of Validated Deposit Slips, and copy of Journal Entry Vouchers;
  - 3. Provide copy of the Certification of Deposit from the BTr, upon receipt, to the concerned OBSUs, copy furnished the DSWD CO – FMS Budget Division, to be used as supporting documents required by the DBM for the request for a SARO and/or NCA;

4. Ensure that the claims against the funds are proper and in accordance with the existing accounting, budgeting and auditing rules and regulations;
5. Prepare a monthly report on the Receipts, Disbursement and Balances of grants and cash donations, in coordination with the Budget Division, to be submitted to the DSWD Executive Committee and Management Committee members not later than the 10<sup>th</sup> day of the ensuing month.

Note: Applicable sections shall also be done by the Accounting Unit at the Regional Office.

ii. The Cash Division shall:

1. Receive the cash/check together with the OP from the donor/grantor and shall issue an OR to acknowledge the receipt of the donation;
2. Identify donors for the unknown deposits through coordination with the Landbank of the Philippines;
3. Deposit the collected donations and grants to the BTr;
4. Submit the RCD and its supporting documents to the Accounting Division for recording in the books of accounts;
5. The Cash Division shall regularly update the DSWD Website on the posting of the Statement of Donations every 5<sup>th</sup> day of the ensuing month.

Note: Applicable sections shall also be done by the Cash Unit at the Regional Level.

iii. The Budget Division shall:

1. Facilitate the request for the issuance of a SARO and/or NCA from DBM upon receipt of the approved WFP and required BEDs from the concerned OBSUs;
2. Provide a copy of the approved SARO and NCA to the OSEC, concerned OBSUs and the Accounting and Cash Divisions;
3. Ensure that the utilization/obligation of grants/donations shall be in accordance with the approved WFP;



Note: Applicable sections shall also be done by the Budget Unit at the Regional Level.

4. Facilitate the fund transfer to the Field Offices; and
5. Provide the needed technical assistance to the concerned OBSUs.

**e. DSWD Field Offices shall:**

- i. Fully implement the projects at the Regional level;
- ii. Submit Statement of Receipt and Disbursements to the DSWD CO – FMS every 5<sup>th</sup> of the ensuing month for the downloaded funds from DSWD CO;
- iii. Refund the unutilized balance to the BTr;;

**VIII. ANNEXES**

- Annex A - Cash Donation and Acceptance Form
- Annex B - Process Flow Chart

**IX. ACRONYMS**

ADA	Advice to Debit Account
CDAF	Cash Donation and Acceptance Form
BEDs	Budget Execution Documents
BTr	Bureau of the Treasury
COA	Commission on Audit
CRCFs	Centers and Residential Care Facilities
CRR	Cash Receipt Record
DOF	Department of Finance
DRRM	Disaster Risk Reduction and Management
FOs	Field Offices
GAA	General Appropriation Act
GAM	Government Accounting Manual
MDS	Modified Disbursement System
NCA	Notice of Cash Allocation

NDRRMF	National Disaster Risk Reduction and Management Fund
OBSUs	Office/Bureaus/Sections/Units
OP	Order of Payment
OR	Official Receipt
PAPs	Programs/Projects/Activities
RCD	Report of Collections and Deposits
SARO	Special Allotment Release Order
WFP	Work and Financial Plan

**X. EFFECTIVITY**

This memorandum circular shall take effect within fifteen (15) days after publication in the Official Gazette or in a newspaper of general circulation.

Issued this \_\_\_ of \_\_\_\_\_, 2024 in Quezon City.

  
**REX GATCHALIAN**  
 DSWD Secretary  
 Date: 25 APR 2024

**Certified True Copy**  
  
**WILLIAM V. GARCIA, JR.**  
 OIC-Division Chief  
 Records and Archives Mgt. Division **08 MAY 2024**





CASH DONATION AND ACCEPTANCE FORM

Date: \_\_\_\_\_

I, \_\_\_\_\_ (name of Donor), voluntarily donates to the DSWD, PhP \_\_\_\_\_ (amount in figures and words) in cash or check, for purpose/s of \_\_\_\_\_.

ACCEPTANCE

I \_\_\_ (name of Donee)', hereby accepts the donation in behalf of DSWD.

\_\_\_\_\_  
(Signature of Donor)

\_\_\_\_\_  
(Signature of Donee)

Authorized DSWD official or employee to accept the donation in favor of DSWD

PAGE 1 of 1

DSWD Field Office \_\_, (address), Philippines (Zip Code)  
Website: <http://www.dswd.gov.ph> Tel Nos.: \_\_\_\_\_ Telefax



CASH DONATION AND ACCEPTANCE FORM

Date: \_\_\_\_\_

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ACCEPTANCE

I \_\_\_ (name of Donee)', hereby accepts the donation in behalf of DSWD.

\_\_\_\_\_  
(Signature of Donor)

\_\_\_\_\_  
(Signature of Donee)

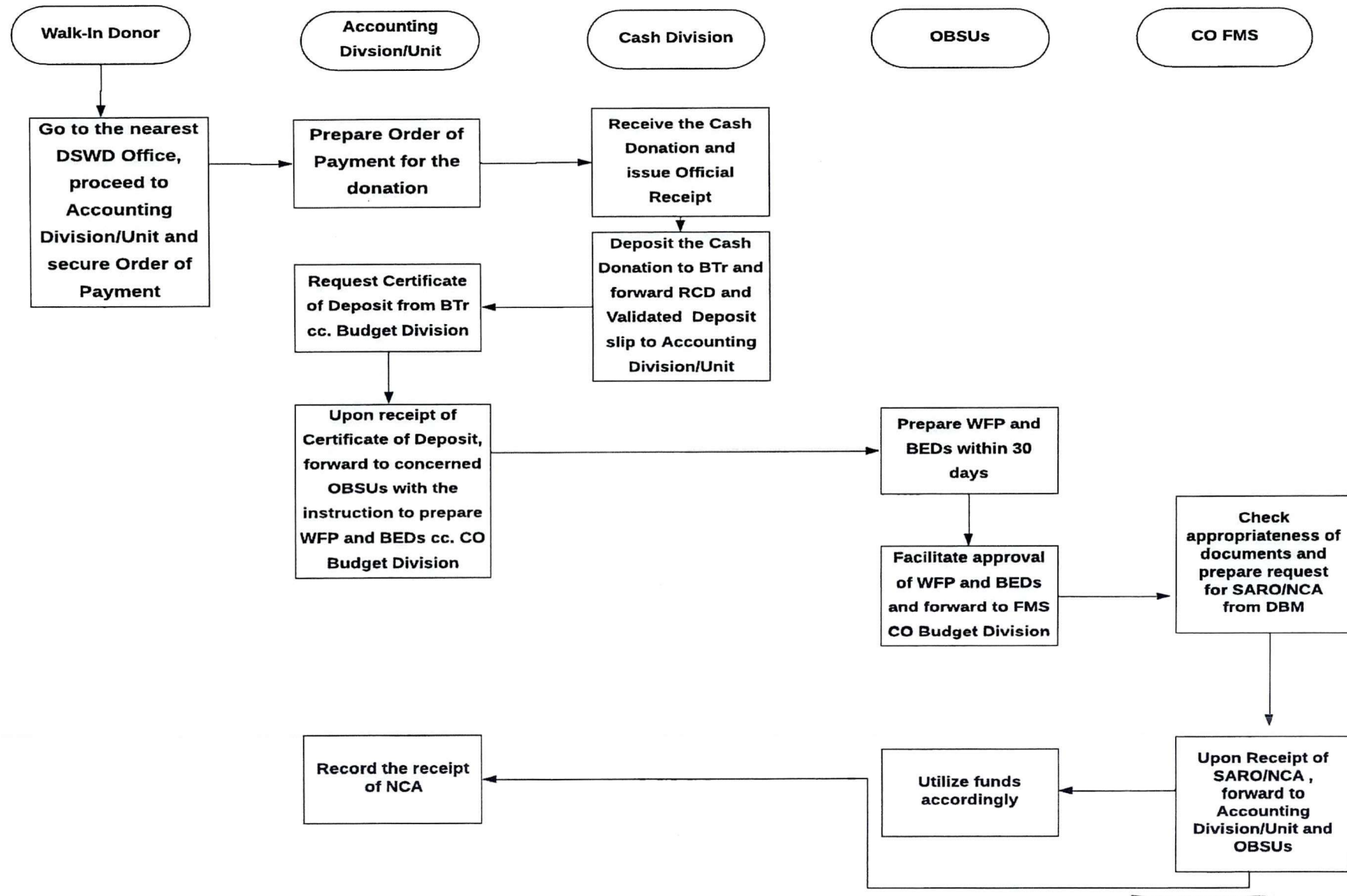
Authorized DSWD official or employee to accept the donation in favor of DSWD

PAGE 1 of 1

DSWD Field Office \_\_, (address), Philippines (Zip Code)  
Website: <http://www.dswd.gov.ph> Tel Nos.: \_\_\_\_\_ Telefax

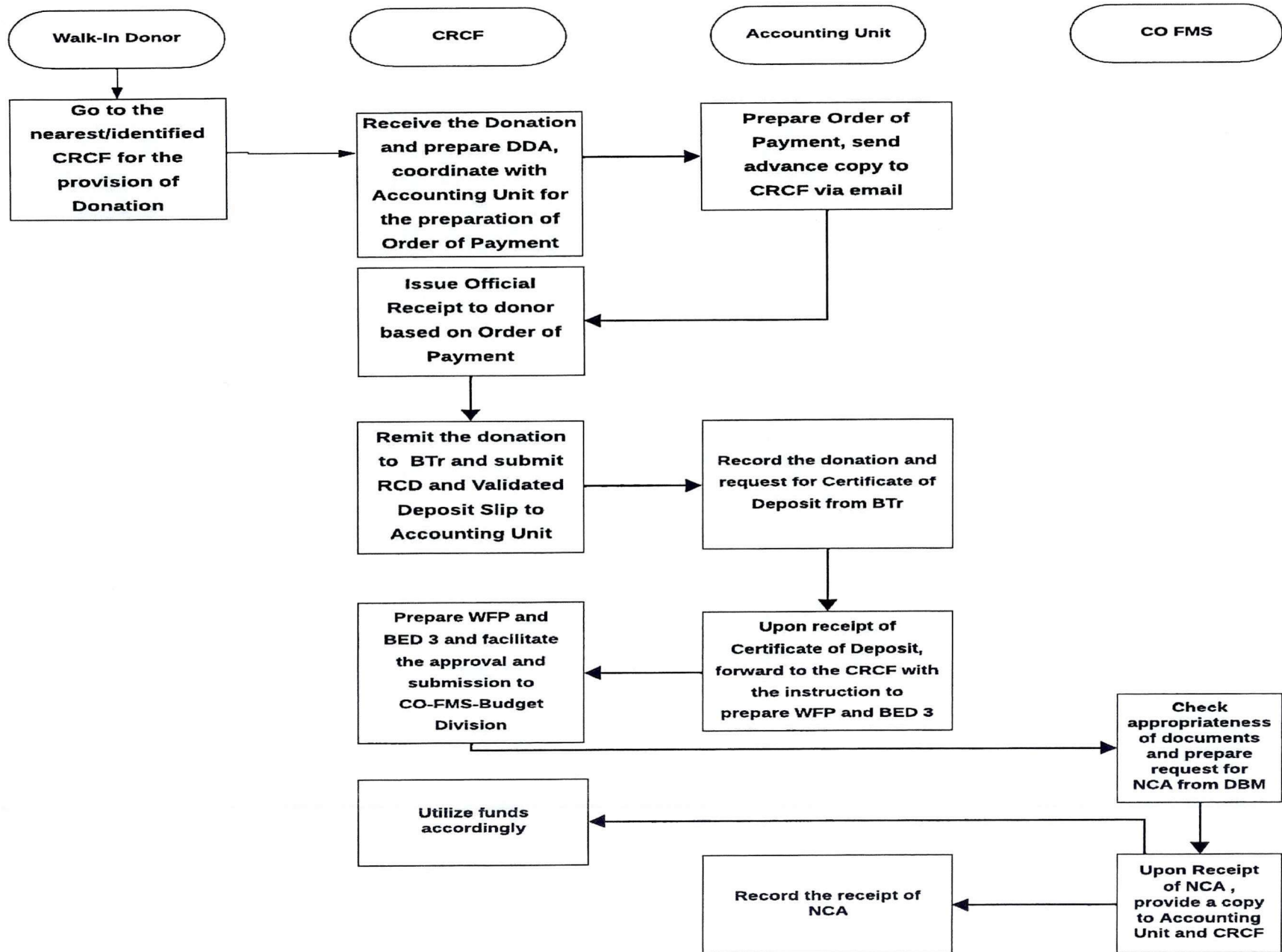


A.1 Receipt of Donations from Walk-In Donor (DSWD CENTRAL AND FIELD OFFICE)

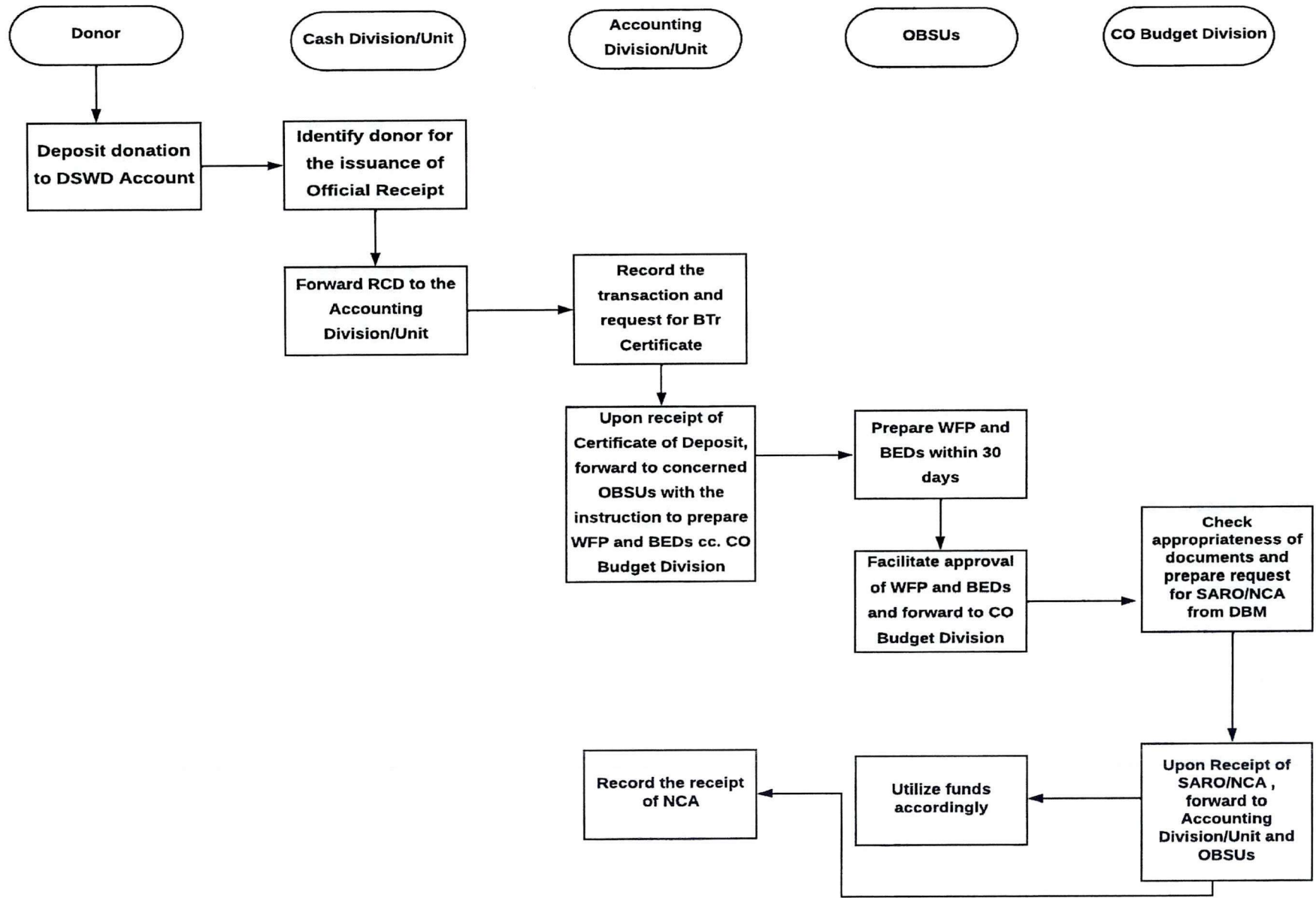




**A.2 Receipt of Donations from Walk-In Donor (DSWD CRCF)**



**A. Direct Deposit to DSWD Account**



**B. Direct Deposit to BTr**

