

DRN: FMG-RPAD-A-COMM-20-05-61279-6

MEMORANDUM

FOR : ALL HEADS OF OFFICES, BUREAUS, SERVICES
Central and Field Offices

FROM : THE UNDERSECRETARY

SUBJECT : FINANCIAL MANAGEMENT GUIDELINES NO. 12, SERIES OF 2020: GUIDELINES ON THE REFUND OF THE SOCIAL AMELIORATION PROGRAM SUBSIDIES FROM LOCAL GOVERNMENT UNITS, SPECIAL DISBURSING OFFICERS, AND OTHER DSWD PAYMENT PARTNERS

DATE : 22 MAY 2020

I. RATIONALE

There had been reports wherein a family received more than one type of the Social Amelioration Program (SAP) for those affected with the enhanced community quarantine declaration to fight against the spread of the COVID19 in accordance with the Bayanihan Act and the Joint Memorandum Circular No. 1 Series of 2020, Special Guidelines on the Provision of Social Amelioration Measures by the DSWD, DOLE, DTI, DA, DOF, DBM, and DILG to the Most Affected Residents of the Areas Under Enhanced Community Quarantine.

In addition, the DSWD Memorandum Circular No. 09 Series of 2020, Omnibus Guidelines in the Implementation of the Emergency Subsidy Program (ESP) of the DSWD specifically enumerated the individuals who are not eligible to receive the DSWD emergency subsidy component of the SAP. However, some families whose members are part of these excluded individuals might have received the ESP.

Further, upon validation, some Local Government Units (LGUs) found out that they have lesser number of qualified/eligible beneficiaries resulting to a lower budget requirement SAP compared to the amount transferred by the DSWD Field Offices to these LGUs.

II. LEGAL BASES

1. Republic Act (RA) No. 11469 or the Bayanihan Act Section 3(b) which states that:

*“SEC. 3. Declaration of Policy. – xxx (b) **immediately** mobilize assistance in the provision of basic necessities to families and individuals affected by the imposition of Community Quarantine xxx.” (emphasis provided)*

2. Joint Memorandum Circular No. 1 Series of 2020, Special Guidelines on the Provision of Social Amelioration Measures by the DSWD, DOLE, DTI, DA,



DOF, DBM, and DILG to the Most Affected Residents of the Areas Under Enhanced Community Quarantine.

3. DSWD Memorandum Circular No. 09 Series of 2020, Omnibus Guidelines in the Implementation of the Emergency Subsidy Program (ESP) of the DSWD
4. Minutes of the 9th Meeting (Video Conference via Google Meet) of the Social Amelioration Programs Inter-Agency Technical Working Group on May 20, 2020 at 9:30 AM to 11:37 AM (please see Annex A).

III. GENERAL GUIDELINES

1. The following individuals, or families whose members include the following individuals, who received the DSWD ESP must immediately refund the same:
 - a. Elected and Appointed government official/s (i.e. permanent, contractual, casual, coterminous) or personnel contracted (under Memorandum of Agreement; Cost of Service, Job Order and other similar arrangement/s) in any National Government Agency (NGA), Government-owned and Controlled Corporation, LGUs and GOCCs with original charter;
 - b. Employees in the private sector, or those in the formal economy, including those who are employees of GOCCs without original charters, regardless of the existence of employee-employer relationship, and regardless of the fact that they are receiving salary or wage;
 - c. Retired individuals who are receiving pension;
 - d. Families with independent financial capacity consistent with the intent of RA No. 11469; and
 - e. Beneficiaries of Pantawid Pamilya who already received the SAP through their cash cards and yet have also received the DSWD SAP distributed by the LGUs or other National Government Agencies, such as, but not limited to, DOLE and the Social Security System.
 - i. The FO cashiers may receive refunds from and issue appropriate Official Receipts for Pantawid Pamilya beneficiaries.
 - ii. The Pantawid Regional Program Management Office (PMO) shall update the Pantawid Information System to ensure that the Pantawid National PMO will not deduct duplicate SAP payments already refunded.
 - iii. FOs are discouraged to further receive refunds from Pantawid Pamilya beneficiaries.





- iv. Duplicate SAP payments not yet refunded shall be considered as payment for the second tranche; provided that if there will be an excess payment, then the same shall be deducted from the subsequent cash grants of the subject Pantawid beneficiary until fully adjusted or refunded to the extent of the excess payment subject to the related Pantawid guidelines on the recovery of overpayments.
2. All voluntary refunds of the Social Amelioration Program subsidies must be accepted by the National Government Agency (NGA), or the LGU, or the Government Owned and Controlled Corporation (GOCC), or any government instrumentality.
3. Refunds must be paid to the same office that made the payment or disbursed the subsidy.
4. An Official Receipt (OR) must be issued for every remitted refund indicating the name or names of the beneficiaries who made the refund and the corresponding amount.
5. The liquidation report (LR), in the case of LGUs, NGAs or any Government Instrumentality who received SAP – related funds from DSWD, must reflect the related refunds made by the beneficiaries.
6. In the event that the LR has already been submitted, an amended report must be rendered to DSWD within 15 days from the end of the month at which the refund was collected.

IV. **SPECIFIC GUIDELINES**

1. **Acceptance of the Refund**

- 1.1. The beneficiary may refund the ESP from DSWD through the cashier's office of the agency that made the payment.

In the case of the barangay, the barangay treasurer; in the case of the Municipality or City, the municipal or city treasurer; in the case of the DSWD Central Office (CO) or FO, the CO's or FO's cashier or collecting officer;

- 1.2. The collecting officer must issue an OR to the beneficiary making the refund indicating the name of the payer and the amount; and
- 1.3. In the case of related collections at the barangay level, remittance of collected refund must be made to the concerned city/municipal treasurer within fifteen (15) days or based on its standard protocols, whichever comes earlier.

2. **Submission of Liquidation Reports**



- 2.1. All collections from the refunds made by the SAP beneficiaries must be reflected at the LR and submitted within the agreed timelines; and
- 2.2. In case the related LRs have been submitted, an amended LR must be rendered to reflect collected refunds and such reports be submitted to the DSWD – FO within fifteen (15) days from the end of the collection month duly signed by the LGU Accountant and the Local Chief Executive.

3. Refund and Collection of Unutilized SAP Funds

- 3.1. If there are no replacement beneficiaries, refunds of the ESP from individuals to the Barangays/LGUs shall be considered part of the LGUs unutilized ESP funds.
- 3.2. The total unutilized funds must be refunded by the LGUs to the DSWD FOs and not directly to the Bureau of Treasury (BTr).

Pursuant to Section 3(b) of RA No. 11469 which mandates the **immediate** provision of basic necessities to families and individuals affected by the imposition of Community Quarantine, FO's collections of SAP refunds from LGUs shall not be deposited to the BTr.

- 3.3. The CO shall request authority from the BTr for the opening of Local Currency Current Accounts (LCCAs) in the CO and the FOs which shall be used solely as depository account of all SAP refunds from LGUs, Special Disbursing Officers (SDOs) and other payment partners (i.e Private electronic money companies like Grab and PayMaya).
- 3.4. Upon receipt of said authority, the CO and FOs shall immediately coordinate with its respective Landbank of the Philippines servicing branches to open their respective LCCAs with Account Name: DSWD FO _____-Refunds of Unutilized DSWD SAP ESP.
- 3.5. CO and FOs shall immediately instruct the LGUs, SDOs and other payment partners to:

- 3.5.1. Made the check for the refund payable to the DSWD FO;
- 3.5.2. If the LGU, SDO, or the payment partner cannot deliver the check to the DSWD due to the quarantine declaration, the LGU or the payment partner may make an electronic transfer or deposit the refund to the respective LCCA of the CO or FOs;
- 3.5.3. The LGU, SDO, or the payment partner shall immediately email the scanned copy of the proof of deposit/electronic transfer to the official email accounts of the FO's Regional





Directors and FO Cashiers or the CO Director of Finance and Management Service and the CO Cashier;

- 3.6. While waiting for the BTr approval and, consequently, the opening of the necessary bank account, the CO and FOs may still receive refunds in cash and in check. However, the same shall be safe kept in the CO or FO cashier's vaults.

Upon opening of the aforementioned bank account, said refund collections shall be immediately deposited to the same bank account.

In case of Section 3.5.2 above, refunds shall be put on hold first. The same shall be immediately transacted once they receive the bank account details from the CO or FO cashier.

- 3.7. All collection for SAP shall be deposited by the CO and FO collecting officers to the Depository Account for Refunds of Unutilized DSWD SAP ESP.
- 3.8. An OR must be issued for each refund and collection. All ORs must reflect that said collection pertains to the refund of the funds transferred to the LGU, SDO, or payment partner for the provision of ESP to beneficiaries. It shall also contain the check number and DV number pertaining to the funds transfer being refunded.
- 3.9. The cashier shall immediately provide a certified true copy (CTC) of the OR to the Regional Accountant for the preparation of the NORSA.

4. Adjustment of Previously Approved Obligation Requests and Recovery of Allotment

- 4.1. Based on the CTC OR provided by the cashier, the assigned accounting staff shall prepare the Notice of Obligation Request and Status Adjustment (NORSA), certified by the Head of the Program Management Bureau/Division, and approved by the Regional Accountant, in order to adjust the obligations for the particular LGU/SDO/payment partner amounting to the refund collected
- 4.2. The Budget Officer shall verify the NORSA and effect the adjustment in order to recover the allotment for the same amount.
- 4.3. Recovered allotment may then be obligated for payment of the second tranche of SAP ESP or the SAP ESP of newly identified SAP ESP eligible beneficiaries.

5. New Disbursement for SAP ESP

All Disbursement Vouchers (DVs) for SAP ESP shall be charged first against the account FO _____-Refunds of Unutilized DSWD SAP ESP.



DVs for SAP ESP shall be charged against the regular fund MDS account of Field Offices only upon full utilization of the aforementioned bank account balance.

6. Closing of the LCCA

The FO _____-Refunds of Unutilized DSWD SAP ESP shall be immediately closed once the SAP ESP is completed.

Upon program completion, all balances shall be immediately remitted to the BTr.

For your reference and strict compliance.

JOSE ERNESTO B. GAVIOLA

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