

DRN: FMS-MD-A-LOMM-21-04-62279-5

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

FROM : THE UNDERSECRETARY

**SUBJECT : FINANCIAL MANAGEMENT GUIDELINES No. 11, s. 2021,
GUIDELINES ON THE REPROCESSING OF PAYMENTS TO SOCIAL
AMELIORATION PROGRAM BENEFICIARIES FOR THE SUBSIDIES
REFUNDED BY THE FINANCIAL SERVICE PROVIDERS IN
CALENDAR YEAR 2021**

DATE : 29 APRIL 2021

I. RATIONALE

In consonance with the directive of the DSWD Management to terminate all Emergency Subsidy payouts under Bayanihan 1 that are being conducted by partner-Financial Service Providers (FSPs) on April 21, 2021. On this, all FSP returned funds for unpaid and eligible SAP beneficiaries shall be implemented and paid out thru DSWD Special Disbursing Officers.

As provided in the Guidance Notes on the Termination of Bayanihan1, these beneficiaries comprised of replacements, appeals from SBWS tagged duplicates, unserved due to data quality issues and unclaimed subsidies due to dormancy or those beyond the 90 days period after crediting to their account are the target beneficiaries for the SDO payouts.

On this, funds shall be transferred from the Central Office to the bank accounts of Field Offices which will in turn conduct the necessary payouts and cash advances and eventual submission, reporting of liquidation reports to the Central Office.

This decision entailed the issuance of this Financial Management Guidelines to address concerns on fund management, by providing resolutions on issues in using balances of prior year obligations, transfer of funds to Field Offices, Accounting treatment to properly account fund transfers, obligations and disbursements. As well as proper recording and reporting of reprocessed payrolls of eligible SAP beneficiaries.

II. LEGAL BASES

1. Memorandum of Agreement of DSWD with the FSPs and Landbank of the Philippines (LBP) to carry out the obligations of the DSWD concerning the implementation of digital or electronic disbursement through the transaction accounts of eligible beneficiaries of the emergency subsidy of the second tranche of the SAP.
2. 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).



3. Department of Budget and Management (DBM) National Budget Circular (NBC) No. 407 dated May 12, 1989 Authorizing National Government Agencies to Approve Change Of Creditor.
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*).
5. Memorandum from the Secretary dated 19 April 2021, Re: Guidance notes on the Termination of Bayanihan 1, particularly regarding the deadline dates of reprocessing payrolls until May 28, 2021 and end of payout date on June 30, 2021.

III. COVERAGE

This applies to all refunds made by the FSPs in CY 2021 for the transfer of funds made by the DSWD in CY 2020 as per Multilateral MOA entered by the DSWD with the FSPs and the LBP to carry out the obligations of the DSWD concerning the implementation of digital or electronic disbursement through the transaction accounts of eligible beneficiaries of the emergency subsidy of the second tranche of the SAP.

IV. GENERAL GUIDELINES

1. All refunds received by the CO from FSPs shall be deposited in the CO LBP Account with **LBP Account Number 3122-1032-09 and Account Name: DSWD Central Office-Depository Acct for Refunds of Unutilized DSWD SAP-ESP.**
2. The reprocessing of the refunded subsidies for SAP beneficiaries shall be through the FO which shall advance the same to the Special Disbursing Officers (SDOs) designated by the Secretary for this specific purpose.
3. The funds from the CO shall be transferred to the FOs':
 - a. DSWD FO SAP Refund Trust Account;
 - b. Local Currency Current Account (LCCA)-Miscellaneous Trust Accounts

A certification from the Regional Director shall be submitted to the FMS confirming the bank account that will be used for this purpose.
4. The funds transferred from CO to FOs shall be treated by the former as "*Due from Regional Offices*" and "*Due to Central Office by the latter*".
5. The FOs shall submit liquidation reports to the CO.
6. Successful payouts to beneficiaries shall be recorded in the books of accounts as *Accumulated Surplus/Deficit* since the subsidies were expenses for the previous year.
7. Any need for clarification or request for amendment should be addressed to the Undersecretary for GASSG for resolution.



V. SPECIFIC GUIDELINES

A. Acceptance of Refunds

1. All refunds received by the DSWD CO from the FSPs shall be deposited in the **LCCA opened in CY 2020 with Account Name, Refunds of Unutilized DSWD SAP ESP.**
2. Refunds shall be recorded by the CO as follows:
 - i. For refunds pertaining to unsuccessful transactions or reported as successful but not yet liquidated;
Debit: Cash-LCCA
Credit: Other Receivables
 - ii. For refunds pertaining to dormant subsidies previously reported as successful transactions and liquidated by the FSPs;
Debit: Cash-LCCA
Credit: Accumulated Surplus/Deficit

B. Change of Payee

1. Upon receipt of the total refunds from FSPs, the CO Accounting Division shall prepare the List of Approved Change of Creditors (LACC) (*Annex B*) pursuant to DBM NBC No. 407 dated May 12, 1989, reflecting therein the name of FSP from which the refunds were received, the Official Receipt (OR) Number, the OR Date, the Amount of Refund, and the Obligation Request Status (ORS) Number from which the refunded amount was charged when transferred by the DSWD to the FSP.
2. The electronic copy of the LACC containing the details on refunds received shall be sent via electronic mail to the Program Management Bureau for filling-up of the remaining details namely the New Creditor, New ORS Number, and the Amount.
3. The same shall be printed and the PMB Head of Office shall then recommend the approval of the same.
4. The signed LACC shall be routed back to the Finance and Management Service (FMS) for the signature of the Chief Accountant as the preparer and the Director of FMS as the reviewer.
5. The FMS-Accounting Division shall prepare the Executive Summary for the Secretary endorsing the LACC for approval.
6. Upon receipt of the approved LACC, the FMS shall provide a certified true copy (CTC) of the same to PMB for the preparation of the new ORS.

C. Preparation and Approval of the New ORS

1. Based on the approved LACC, the PMB shall prepare the new ORS for the new payee.
2. The reprocessing of the SAP subsidies shall be through the FOs, thus, the new payee, for this purpose, are the FOs.



3. The new ORS shall be routed, with a copy of the approved LACC, for approval by the Chief of the Budget Division.
4. The approved ORS and the LACC shall be attached to the Disbursement Voucher for the transfer of funds from the CO to the FOs.

D. Disbursement Vouchers (DVs) for the Transfer of Funds (TOF) to the FOs

1. The DVs for the TOF to the FOs, for this specific purpose as provided by this FMG, shall be supported by the following documents:
 1. A copy of the approved LACC highlighting therein the specific refunds being reprocessed for SAP subsidies;
 2. A copy of the new ORS;
 3. Original or a certified copy of the approved payroll from the Field Offices.
 4. Certificate of deduplication of the eligible beneficiaries to support the approved payroll.
2. The payee of the DV shall indicate the name of the FO and the account name and number of the FO's active LCCA account.

E. Recording in the CO and FOs' Books of Accounts

1. The CO shall record the transaction in Fund Cluster 1 as "*Due from Regional Offices*" subject for liquidation by the FOs.
2. The FOs shall record the receipt of funds in Fund Cluster 1 as;
Debit: Cash-LCCA
Credit: Due to the Central Office
3. The FOs shall maintain a sub-subsidiary ledger, specific for these transactions, under the LCCA ledger.

F. Disbursement of the FOs to the SDOs

1. The FOs shall prepare a Budget Utilization Request and Status (BURS) to support the disbursement of funds, as specified in this FMG, to the SDOs.
2. The disbursement shall be recorded as;
Debit: Advances to SDOs
Credit: Cash-LCCA

G. Liquidation Reports

1. The SDOs must completely submit the liquidation report of the advances to the FO Accounting Section within thirty (30) days from the last day of payout.
2. Any unspent cash advance must be refunded by the SDOs not later than three (3) working days after the last day of payout to the FOs which shall deposit the same to the LCCA where the TOF from CO was deposited.



3. The refund and liquidation shall be recorded by the Accounting Section as;
Debit: Accumulated Surplus/Deficit and/or Cash-LCCA
Credit: Advances from SDOs
4. The FOs shall submit the Statement of Receipts and Disbursement (SORD), signed by the Regional Accountant and approved by the Regional Director. Upon submission, the FO Accounting Section shall record the same in the books of accounts as;
Debit: Due to the Central Office
Credit: Accumulated Surplus/Deficit
5. Upon receipt of the SORD, CO Accounting Division shall record the same in the books of accounts as;
Debit: Accumulated Surplus Deficit
Credit: Due from Regional Offices

H. Refunds of Unutilized Funds

1. Any unutilized funds after all SAP beneficiaries had been paid shall be refunded by the FO to the CO.
2. The same shall be deposited in the CO account LBP Account Number 3122-1032-09 with Account Name, DSWD Central Office-Depository Acct for Refunds of Unutilized DSWD SAP-ESP.
3. The FO shall record the refunds as Debit Due to the Central Office and Credit Cash-LCCA while the CO shall Debit Cash-LCCA and Credit Due from Regional Offices.
4. After all beneficiaries have been paid nationwide, the CO shall remit any unutilized funds to the Bureau of Treasury. The same shall be recorded as Debit Accumulated Surplus/Deficit and Credit Cash-LCCA.

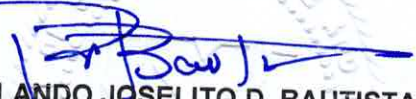
VI. EFFECTIVITY

This FMG is effective immediately.

For reference and strict compliance.


JOSE ERNESTO B. GAVIOLA

Approved:


ROLANDO JOSELITO D. BAUTISTA
Secretary

Date: MAY 03 2021

WCB/JImSC/DRDR/222

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REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
MALACANANG, MANILA



NATIONAL BUDGET CIRCULAR NO. 407
May 12, 1989

TO : All Heads of Departments, Bureaus, Offices, Chiefs of Financial and Management Services, Budget Officers, Chief Accountants/Heads of Accounting Units, Resident Auditors and Others Concerned

SUBJECT : AUTHORIZING NATIONAL GOVERNMENT AGENCIES TO APPROVE CHANGE OF CREDITOR

The issuance of Memorandum No. 181 of the Office of the President dated July 1, 1988 as implemented by NBC No. 403 dated March 1, 1989 authorized agencies to process and pay prior years accounts payable out of their Common Fund, without prior approval from the DBM. Moreover, Presidential Decree No. 1870 dated July 12, 1983 authorizes the Secretary of the Department of Public Works and Highways (DPWH) to take over by administration/contract delayed infrastructure projects. Non-infra Departments, as a matter of policy, also undertake by administration/contract abandoned projects to expedite completion.

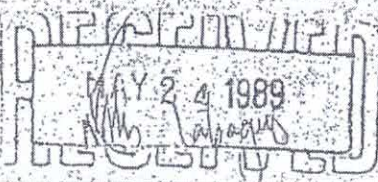
In line with said issuances/policy, agencies have the authority to change the name of creditors in order to accelerate implementation or completion of the projects.

On a monthly basis, a list of approved change of creditors shall be submitted in accordance with the attached forms on or before the 15th day of the following month to the concerned Accounting and Finance Bureau, Department of Budget and Management as basis in posting agency accounts payable.

This Circular shall take effect immediately.

Guillermo N. Carague
GUILLERMO N. CARAGUE
Secretary

GOVT. COMP. BUDGET BUREAU



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MEMORANDUM FROM THE SECRETARY

TO : **Undersecretary DANILO G. PAMONAG**
Social Welfare and Development

Undersecretary AIMEE S. TORREFRANCA-NERI
Operations Group

Undersecretary JOSE ERNESTO B. GAVIOLA
General Administration and Support Services
Group

Undersecretary JOSE ANTONIO R. HERNANDEZ
Policy and Plans

Assistant Secretary JOSELINE P. NIWANE
Policy Development and Planning Bureau

THE REGIONAL DIRECTORS
DSWD Field Offices I-XII, CARAGA, CAR & NCR

Director WILMA D. NAVIAMOS
Program Management Bureau

Director GEMMA B. GABUYA
Pantawid Pamilyang Pilipino Program NPMO

Director RESTITUTO B. MACUTO
Sustainable Livelihood Program NPMO

Director WAYNE C. BELIZAR
Finance and Management Service

Director FERDINAND LD BUDENG
Agency Operation Center

Director ANDREW J. AMBUBUYOG
Information and Communication Technology Management
Service

Atty. MARIA CASSANDRA M. URBIZTONDO
Legal Service

Department of Social Welfare and Development 16M Road, Constitution Hills, Quezon City Finance and Management Service	
APR 21 2021	
Record No. _____	Received by: <u>ing</u> Time: <u>11:16 AM</u>

**SUBJECT : GUIDANCE NOTES ON THE TERMINATION OF
BAYANIHAN 1**

The undersigned hereby issues the following Guidance Notes to govern the continued provision of emergency subsidy under Bayanihan 1 pursuant to the extension of the validity of the general appropriations for fiscal year 2020 under Republic Act No. 11520, until its implementation is terminated.

A. COVERAGE: TARGET BENEFICIARIES

The coverage of the continued implementation of Bayanihan 1 shall be the following:

- i. **Replacement beneficiaries of the second tranche of Bayanihan 1 and appeals from the SBWS-tagged duplicates-** refer to those identified, validated, listed and submitted by the local government units (LGUs) to the Field Offices (FOs) as unserved eligible beneficiaries to replace the previously listed beneficiaries who were found by the LGU as ineligible during payout or after its further validation **and** shall include the beneficiaries who are appealing to the LGUs for inclusion, on alleged erroneous tagging as Small Business Wage Subsidy (SBWS)-duplicates. Provided that, replacement beneficiaries may include even those who were previously disqualified on the ground of ineligibility due to inaccurate or incorrect filling-out or encoding of the SAC form, but were later on validated as eligible. In all cases, these beneficiaries must be certified as eligible by the LGUs through the City/Municipal Social Welfare and Development Officer and the local chief executive.

Provided further that all replacements and inclusion of appeals of SBWS-tagged duplicates shall only be allowed for beneficiaries under the second tranche implementation of Bayanihan 1.

- ii. **Unserved beneficiaries due to refunds** – refer to those who were previously processed by the DSWD **and/or** prefunded to the Financial Service Providers (FSPs) or the Landbank of the Philippines or under Relief Agad registration, but later on declared as unsuccessful transactions due to data quality issues.
- iii. **Beneficiaries with dormant accounts-** or those who failed to claim/cash out their subsidy within three (3) months from prefunding to FSP, creation of restricted transactional account, notice of the availability of subsidy with cash out partner or notice of the conduct of mobile payout in the area of residence of the beneficiaries, whichever is applicable.

B. FUNDING

The funding requirement shall be sourced from the available funding of Bayanihan 1 that was obligated as of December 31, 2020 but was refunded or would otherwise

entail a change of payee in accordance with DBM National Budget Circular No. 407, series of 1989, and the unobligated portion thereof for new obligations. Provided that in the charging, the previously obligated balances may be exhausted first before the unobligated balance is accessed.

The subsidy to be provided to the beneficiaries, whether one or two tranches equivalent, shall depend on the previous obligated amount for the particular beneficiary who will be replaced if applicable and in case of replacement beneficiaries. Meanwhile, new obligations may be paid one or two tranches based on the previous guidelines of SAP and subject to available funds.

C. NECESSARY ACTION/S AND DEADLINES

Depending on the category of beneficiaries, the action items and deadlines shall be as follows:

1. Replacement Beneficiaries and Appeals

The replacement beneficiaries and appeals shall only be accepted up to April 30, 2021. In this view, the FOs must work together with concerned LGUs to ensure that all said beneficiaries are identified, validated and certified by said LGUs as eligible to receive the subsidy, as they remain left-out or unserved beneficiaries of Bayanihan 1.

The following actions must be performed by the concerned offices:

- a. Inform **only the LGUs with pending appeals**¹, through a formal letter that the deadline for all replacements and appeals for inclusion shall be on April 30, 2021. The deadline is mandatory hence, beneficiaries who will not be included in the list shall no longer be accommodated;
- b. All appeals under SBWS-tagged duplicates that are in the records of the FOs must be consolidated by the Information and Communication Technology Management Service (ICTMS) to determine the number of these [possible] appeals on or before April 15, 2021;
- c. Conduct deduplication process on the list under (a) and (b) within 3-5 days using the algorithms prescribed in MC No. 18, s. 2020 in reference to the universal list of all beneficiaries covered by the Bayanihan 1 second tranche implementation of the Social Amelioration Program, SBWS database from the Social Security System (SSS) and the universal list of Bayanihan 2 beneficiaries. This process shall yield a clean list of beneficiaries eligible for payment of subsidy; and,
- d. Available recourse shall be undertaken by the Management to ensure that the SBWS-tagged duplicates will be given the opportunity to be processed for payment and such may include data sharing of the list thereof to the SSS for its issuance of a certification stating that said beneficiaries have received SBWS or not.
- e. Process the clean list for payment through direct payout by the FOs up to **May**

¹ Acceptance of replacement beneficiaries and appeals does not mean reopening the Bayanihan 1 implementation for all LGUs. Rather **only the FOs with LGUs that have appeals** will have to inform their LGUs to submit the replacement beneficiaries or appeals until April 30, 2021. **FOs without replacement beneficiaries or appeals need not do the action items provided in Item C.1.**

25, 2021. Provided that the obligations and disbursements to the special disbursing officer/s must be made on or before **May 28, 2021.**

2. Unserved Beneficiaries Due to Refunds

The reprocessing of payrolls due to refunds by the FOs shall continue up to **May 25, 2021,** to ensure that all beneficiaries with unsuccessful transactions shall be processed for payment. For this purpose, the following must be undertaken:

- a. FSPs shall be demanded to submit the list of paid beneficiaries on April 19, 2021;
- b. A final demand letter/s shall be sent informing the FSP/s that all payouts must be done on or before April 21, 2021 and refunds of all undisbursed subsidies with the complete liquidation report must be submitted on or before April 28, 2021; **no extension will be provided to herein deadline;**
- c. For every refund received, the FMS shall endorse the list of beneficiaries' subject of refund with the refund notice to the concerned FOs within **3 days from issuance of Official Receipt and Receipt of Liquidation report by/ from the FSPs;**
- d. FOs shall subject these beneficiaries to deduplication within 3-5 days; and,
- e. FOs shall reprocess the clean list of these beneficiaries for payment through direct payout by the FOs. Provided that the obligations and disbursements to the special disbursing officer/s must be made on or before **May 28, 2021.**

3. Beneficiaries with Dormant Accounts

The reprocessing of payrolls of beneficiaries with dormant accounts shall be done by the FOs up to May 25, 2021, to ensure that these beneficiaries shall not be deprived of their subsidies with the DSWD exerting all efforts so they may be paid. The following actions must be undertaken, thus:

- a. FSPs shall be demanded to submit the list of beneficiaries with unclaimed subsidies or dormant accounts on April 19, 2021; *The list shall be uploaded through the Secure File Transfer Protocol (SFTP) and shall each be accessed by concerned FO;*
- b. FOs subject the list of beneficiaries with unclaimed subsidies to the standard deduplication process, within 3 days and yield a clean list;
- c. The clean list of beneficiaries with dormant accounts will be posted in the website and social media accounts of the Central Office (CO) and concerned FOs;
- d. A final demand letter/s shall be sent informing the FSP/s that all payouts must be done on or before April 21, 2021;
- e. All refunds pertaining to unclaimed subsidies or the dormant accounts with the corresponding list of beneficiaries and complete liquidation report must be submitted **on or before April 28, 2021; no extension will be provided to herein deadline;**
- f. Upon submission of the liquidation report, the list of remaining beneficiaries with unclaimed subsidies or dormant accounts shall be endorsed by the FMS to the concerned FOs with the refund notice within **3 days from issuance of Official Receipt and Receipt of Liquidation report by/ from the FSPs;**

- g. The FOs shall further scrutinize the list and the identified reason/s for the failure of the particular beneficiaries to claim the subsidy and determine who among them may be validly reprocessed for payment; Validation shall be made within five (5) days;
- h. FOs shall reprocess the clean list of these beneficiaries for payment through direct payout by the FOs. Provided that the obligations and disbursements to the special disbursing officer/s must be made on or before **May 28, 2021**.

D. TERMINATION DATE OF ALL PAYOUTS

All payouts to beneficiaries of Bayanihan 1 must be made by all FOs on or before **June 30, 2021**.

Provided that the liquidation of all cash advances pertaining to said payouts shall be made thirty (30) days from the last date of payout consistent with Section 5.7 of COA Circular No. 7-002.

E. GRIEVANCE RECONCILIATION MECHANISM

The refund reconciliation mechanism shall be reinforced to address the concerns of persons filing grievances and claiming to be unserved up to this date.

For this purpose, the following actions must be undertaken:

1. AOC-Field Office (FO)

The Agency Operation Center (AOC) focals and personnel at the FOs shall continuously resolve grievances at its level, within 3 or 7 days, depending on whether the concern/grievance is simple or complex. A concern/grievance shall be regarded as simple or complex grievance shall include all grievances which may be resolved at the level of the FO given that the needed information or documents in the resolution are all internal to the FO. Consistent with Republic Act No. 11032 or the "Ease of Doing Business Act", a notice shall be sent to the complainant informing him/her of any extension in the 3 or 7-day period, if an answer/ reply cannot be made within said period.

Provided that AOC-FO shall **only submit** to the AOC or Grievance Committee at the CO the grievances that are **unresolved at its level and are considered as "highly technical"** as this would require inter-agency coordination i.e. validation w/SSS, DOLE, DA, LTFRB or other concerns as alleged erroneous payments or similar concerns which may be within the competency of the OBSUs at the CO. A highly technical concern/grievance shall be resolved within 20 days.

Provided further that the 3, 7 or 20-day period shall be reckoned from the receipt of the complete information/documents on the grievance by the AOC-FO and shall include the period of resolution of grievances elevated at the AOC or Grievance Committee at the CO, as stated in the following.

2. AOC and Grievance Committee at the Central Office (CO)

The AOC-CO shall primarily resolve all "highly technical" [unresolved] grievances from or elevated by the AOC-FO. In case the AOC-CO alone cannot resolve a "highly technical" grievance, the AOC may either **refer/endorse** a particular concern to any OBSU or **convene**, the inter-OBSU **Grievance Committee** composed of the Program Management Bureau, Pantawid Pamilyang Pilipino Program NPMO, Sustainable Livelihood Program NPMO, FMS, Legal Service, Policy and Planning Development Bureau and/or the concerned FO, to handle and scrutinize the grievances and discuss possible recourse and recommend action to resolve the same.

In all cases, grievances forwarded to the CO must be resolved within 7 days from the date of receipt by the AOC-CO or within the 20-day from receipt by FO of the grievance, whichever comes earlier.

Provided that in resolving grievances at the CO and FO level, access to other programs and services of the DSWD may be recommended, subject to availability of funds and assessment based on the applicable guidelines of such programs and services.

F. REFUND

The use of the refund mechanism based on FMG No. 12, series of 2020 is hereby reiterated.

For strict compliance.


ROLANDO JOSELITO D. BAUTISTA
Date APR 19 2021