

**[ KKPP DEPARTMENT ORDER NO. 24, S. 1995,  
August 21, 1995 ]**

**GUIDELINES ON MONETIZATION OF FOREIGN AND LOCAL  
DONATIONS**

**I.**

**Rationale**

Disaster occurrences in the Philippines affected the social functioning of the vulnerable individuals, groups and families. This situation requires the immediate provision of the basic necessities of life such as food, clothing, shelter, medicines, etc. In 1994, there were more or less 5 million victims of the 19 typhoons and 164 other types of disasters. Further, more than 19% of our population are in the poverty threshold thus, putting into disadvantaged situation the most vulnerable sectors of the society such as the women, children, youth and the elderly.

Cognizant of the above victims, NGOs/GOs, civic and church groups and private entities have been joining hands with DSWD by supplementing its welfare effort through solicitation of foreign and local donations. Some have turned these over to DSWD/LGUs or other NGOs, while others just distributed directly to their own identified victims. Most often, donations were received without proper cost/value causing problem in proper accounting and booking of said donation. With this problem, COA regulations require the proper accounting and booking of such donations to facilitate proper management and utilization. Hence, a systematized monetization scheme must be adapted.

**II.**

**Legal Basis**

1. Presidential Memorandum Order No. 36 dated September 9, 1992 authorizes the importation and donation of food, clothing, medicine and equipment for use in the government relief and rehabilitation programs for calamity-affected areas, subject to the provision of section 105 (1) of the Tariff and Custom Code of the Philippines. There are three (3) consignees and these are DSWD, DOH and DND.
2. Section 105 (1) of the Tariff and Custom Code as amended provides "Imported Articles donated to or for the account of any duly registered relief organization upon certification by DSWD, DECS as the case maybe" shall be exempt from the payment of import duties.
3. PMO 23, Series of 1992 provides the immediate transfer of all forfeited and/or abandoned used clothings in the bureau of Customs Custody to the DSWD.

4. Presidential Memorandum Order No. 35 dated September 8, 1992 encourages different departments, offices and agencies, including government-owned and controlled corporations to launch fund raising activities for the benefit of Mt. Pinatubo victims.

All cash contributions as well as donations in kind shall be turned over to the DSWD for eventual distribution to the affected areas.

5. DSWD Special Order No. 40 Series of 1994 has provided for the creation of a Task Force Committee to develop and implement a systematized monetizing and accounting of foreign and local commodities donated to the Department of Social Welfare and Development.

### **III.**

#### **Objectives**

1. To set up a system of monetizing and proper accounting of local and foreign donations;
2. To ensure that all unmonetized foreign and local donations are properly recorded and recounted for.

### **IV.**

#### **General Policy Guidelines**

1. Commodities to be monetized are as follows:

1.1 Foreign and local commodity donations received by DSWD warehouses (Central and Field Offices)

1.2 Confiscated/forfeited or abandoned commodities which are turned over to DSWD (Central and field Offices) by the Bureau of Customs.

2. Monetization Task Force must be organized at the Central Office and Field Offices respectively with the following members:

2.1 Central office Task Force on monetization (existing)

Chairman - BEA Director/ABD

Members - BEA Technical Staff  
Admin. Service  
(Property Div)  
Finance (Accounting Division)  
Internal Audit Unit

Consultant - Resident Auditor  
Representative

Secretariat - BEA/VOLAGS

2.2 Field Office Task Force on Monetization

Chairman - Administrative Officer