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CIRCULAR 01-2017

9 February 2017

TO : Heads of Departments, Bureaus, Offices and Agencies of the National Government, including State Universities and Colleges, Government Owned and/or Controlled Corporations, Government Financial Institutions, and Local Government Units

SUBJECT : Clarification of the Term “Direct Financial and Material Assistance”

1.0 Purpose

This Circular is being issued to clarify the term “direct financial and material assistance” under Section 4.5(a) of the 2016 Revised Implementing Rules and Regulations (IRR) of Republic Act (RA) No. 9184.

2.0 Coverage

All Departments, Bureaus, Offices and Agencies of the National Government, including State Universities and Colleges, Government-Owned and/or Controlled Corporations, Government Financial Institutions, and Local Government Units.

3.0 Direct Financial and Material Assistance

3.1 Under Section 4.5(a) of the 2016 Revised IRR of RA 9184, “direct financial or material assistance given to beneficiaries in accordance with the existing laws, rules and regulations, and subject to the guidelines of the concerned agency” is not considered procurement activity under RA 9184 and its IRR.

3.2 To prevent abuse in the use of the Section 4.5(a) of the 2016 Revised IRR of RA 9184, the following clarifications are hereby made.

3.3 “Financial assistance” refers to actual cash or check, while “material assistance” refers to substitutes to cash or check in the form of coupon, stub, guaranty letter, promissory note or voucher that has monetary value, given directly to individual recipients or beneficiaries to address their immediate medical, funeral, transportation and other allied needs and concerns.

3.4 The term “direct financial and material assistance” cover medical, burial, transportation, and other allied assistance given by agencies actually mandated by existing laws, rules and regulations to provide such assistance, e.g.,

Department of Social Welfare and Development (DSWD), Department of Health, and the Philippine Charity Sweepstakes Office (PCSO), directly to individuals in emergency situations, under distress or are in need of supplemental financial support due to health or medical conditions, sickness or disease; funeral and burial concerns, which also includes the most direct and economical transportation expense to or from place of residence or specific destination.

- 3.5 Section 4.5(a) of the 2016 Revised IRR of RA 9184 contemplates financial or material assistance given directly to individual recipients or beneficiaries to address their immediate medical, funeral, transportation and other allied needs and concerns, which do not involve actual procurement of goods and services by government agencies. Accordingly, if the direct financial or material assistance takes the form of goods, supplies or items that are to be procured (*e.g.*, relief goods), the same do not fall within the coverage of the cited provision, but is subject to procurement rules and regulations embodied in RA 9184 and its IRR.

4.0 This Circular shall take effect immediately.

5.0 For guidance and compliance.

(sgd.)

BENJAMIN E. DIOKNO

Chairperson