



**Republic of the Philippines**  
**Department of Social Welfare and Development**  
Batasan Pambansa Complex, Constitution Hills  
Quezon City  
Telephone No. 931-8101 to 07

**MEMORANDUM CIRCULAR NO. 341**  
**Series of 2005**

**Subject: GUIDELINES FOR THE WITHDRAWAL OF  
RICE AND NON- RICE COMMODITIES FROM  
THE NATIONAL FOOD AUTHORITY (NFA)**

**I. Rationale**

The Department of Social Welfare and Development (DSWD) is mandated to provide augmentation support to Local Government Units (LGUs) and the population who are victims of calamities and disaster. This support which comes in the form of food and non-food commodities is provided by the DSWD upon request by the LGUs and Legislators through their Priority Development Assistances Fund (PDAF). The requests are more common during times of calamities or disasters where there are immediate need for assistance to the victims or affected population.

The food augmentation support are mostly rice-and non-rice items which are procured by DSWD from the National Food Authority (NFA), a government agency tasked to assure the nation with adequate supply and distribution of grains.

In its desire to immediately provide the required rice and non-rice commodities during disasters, the DSWD, through its Field Offices (FOs), devised a mechanism to purchase rice and non-rice commodities on credit from NFA. A memorandum of agreement between the DSWD and NFA provides for the said arrangements. The agreement also covers the obligations of the DSWD and NFA in the areas of purchase and withdrawal of goods, pricing, delivery, documentation and payment.

A thorough review of the existing procedures in the procurement of rice and non-rice commodities during calamities has been conducted by the Program Management Bureau (PMB), the Administrative Service (AS), and Finance Management Service (FMS) of the DSWD.

While the memorandum of agreement between DSWD and NFA assures the supply and distribution of rice and non-rice commodities during calamities and disasters, there is a need to complement this agreement with operational guidelines to effectively and efficiently carry out the mandate of DSWD that is, to immediately respond to the needs of disaster victims. It is for this reason that this Memorandum Circular is being issued.



## II. Objectives

1. To provide the procedural guidelines in the conduct of immediate procurement of rice and non-rice commodities from NFA during calamities and for stockpiling.
2. To prescribe procedures in the withdrawal of goods, payment and withdrawal where funds are sub-allotted for that purpose by the Central Office.
3. To delineate roles, functions and necessary actions to be taken by the offices, bureaus, and services in the Central Office and Field Offices and the coordinating arrangements with other concerned agencies.

## III. Procedural Guidelines

### A. Procedure on Withdrawal of Rice from NFA by the Field Office through Sub- Allotment of Funds to Field Office (Presented as Figure I in attached Flow Chart)

The following steps shall be followed in the procurement of rice and non-rice commodities when funds for payment are sub-allotted by Central Office to the Field Offices.

- A.1. Requesting entities, such as, but not limited to LGUs, licensed NGOs, and legislators (utilizing their PDAF), shall be made officially in writing and forwarded with the Field Office concerned/Department Legislative Liaison Office (DLLO) in case of PDAF;
- A.2. The DSWD-FO/DLLO shall forward a copy of the proposal/request to the Program Management Bureau (PMB) at DSWD Central Office for review and endorsement for approval of Authority to Withdraw Rice (ATWR).
- A.3. The PMB shall prepare/fill-in Part 1 of the ATWR based on the request endorsed by FO/DLLO and forward it to the Office of the Undersecretary for Operation and Capacity Building Group (OU-OCBG) for approval.
- A.4. Upon approval by the OU-OCBG, copies of the ATWR shall be immediately sent to DSWD FO (copy 1 of the ATWR) and the NFA-CO (copy 2 of ATWR). NFA-CO shall subsequently forward another copy to NFA-PO.
- A.5. The NFA-CO shall fill in Part 2 (Delivery Details) of the ATWR and send it back to DSWD-CO through the PMB.

- A.6. The PMB shall, upon receipt of the filled in ATWR Part 2 (Delivery Details) from NFA-CO, forward the ATWR and the FO request to Office of the Undersecretary for General Administration and Support Services Group (OU-GASSG).
- A.7. The OU-GASSG shall review and approve the CAF/Sub-allotment and forward the filled in Part 3 of the ATWR to the Office of the Director for Financial Management Service (OD-FMS) for processing by the FMS-Budget Division.
- A.8. The FMS-Budget Division shall prepare the Sub-Allotment Advice for the approval of the OU-GASSG and copy furnish the Fiscal Control Division to effect the transfer of cash allocation through the issuance of Notice of Transfer of Allocation (NTA).
- A.9. The Budget Division shall furnish the OU-OCBG and PMB a copy of the Sub-Allotment Advice (SAA) and the approved ATWR with Part 3 properly filled-in.
- A.10. The PMB shall forward to the FO a copy of the completed ATWR, the SAA and NTA for records purposes.
- A.11. The FO, through the Operations Division shall, upon receipt of the ATWR sent by CO (in item no. A.4 of this Section) prepare the Requisition and Issue Slip (RIS) and Purchase Request (PR) for subsequent approval of the FO Director. The PO shall be prepared upon approval of the RIS and PR. The DSWD FO shall coordinate with NFA-Provincial Office (NFA-PO) for the price quotation of goods and other charges, if any, which shall be the basis for the preparation of the PO.
- A.12. The DSWD FO shall coordinate with NFA-PO for the subsequent delivery of commodities.
- A.13. DSWD FO, through the Management Division shall inform the FO Inspection Committee and the COA-FO to conduct the inspection of the delivered commodities by NFA-PO. Subsequently, the FO-Inspection Committee and COA-FO shall prepare the Inspection Report and forward same to DSWD-FO.
- A.14. The DSWD-FO shall release/issue the commodities to the requesting party. Subsequently the requesting party shall issue the Certificate of Acceptance to DSWD FO.
- A.15. The DSWD FO shall prepare and release the payment to NFA-PO after the FO shall have received the Bill of Statement from NFA-PO.



**B. Procedure on Withdrawal of Rice from NFA at the Field Office with Payment At the Central Office (Presented as Figure II)**

The following steps shall be followed in the procurement of rice and non-rice commodities when payment shall be made by the DSWD Central Office. (Presented as Figure 2)

- B.1. The DSWD Field Office or DLLO concerned in case of PDAF shall receive written requests for augmentation of rice and non-rice commodities from requesting entities which include among others LGUs, licensed NGOs, and legislators (utilizing their PDAF).
- B.2. The DSWD-FO/DLLO in case of PDAF shall forward a copy of the proposal/request to the PMB at DSWD Central Office for review and endorsement for approval.
- B.3. The PMB shall prepare/fill-in Part 1 of the ATWR based on the request endorsed by FO and forward it to the OU-OCBG for approval.
- B.4. Upon approval by the OU-OCBG, copies of the ATWR shall be immediately sent to DSWD FO (copy 1 of the ATWR) and the NFA-CO (copy 2 of ATWR). NFA-CO shall subsequently forward another copy to NFA-PO.
- B.5. The NFA-CO shall fill in Part 2 of the ATWR (Delivery Details) and send it back to DSWD CO through the PMB.
- B.6. The PMB, upon receipt of the filled in ATWR from NFA-CO, shall forward the ATWR to the OU-GASSG for approval of the CAF (Part 3) of ATWR.
- B.7. The OU-GASSG shall review and approve the allotment of funds, fill-in Part 3 of the ATWR, and forward the ATWR and its attachments to the FMS for processing by the Budget Division.
- B.8. The Budget Division shall prepare the necessary documents and furnish the OU-OCBG, PMB, and Procurement and Supply Division (PSD), AS a copy of the ATWR with approved Part 3 (Allotment of Funds).
- B.9. The PMB, upon receipt of the approved Part 1 of the ATWR, shall prepare the RIS and PR for subsequent approval by the Director for AS.

- B.10. The Administrative Service, upon receipt of the approved Part 1 of ATWR shall, through the PSD, prepare the Purchase Order (PO). The PO shall be forwarded to NFA-CO.
- B.11. DSWD FO, upon receipt of copy 1 of the ATWR (in item no. B.4 of this Section), shall coordinate with NFA-PO for the subsequent delivery of commodities.
- B.12. DSWD FO, through the Management Division, shall request the FO Inspection Committee and the COA-FO to conduct inspection of the delivered commodities by NFA-PO. Subsequently, the FO-IC and COA-FO shall prepare the Inspection Report and forward the report to DSWD-FO.
- B.13. The DSWD FO shall release/issue the commodities to the requesting party. Subsequently the requesting party shall issue the Certificate of Acceptance to DSWD FO.
- B.14. The DSWD-FO, through the Management Division, shall consolidate and forward to DSWD CO the following documents as supporting papers to pay NFA-CO:
- a. Inspection Reports issued by DSWD FO-IC and COA-FO
  - b. Certificate of Acceptance issued by the Requesting Party
  - c. Relief Distribution Sheet (RDS) duly signed by the respective beneficiaries
- B.15. The PSD-AS shall, upon receipt of the Bill of Statement from NFA-CO, prepare the documents necessary for the payment to NFA-CO.
- B.16. PSD-AS shall, upon completion of supporting papers prepare and forward the voucher and necessary documents to FMS for processing of payment.
- B.17. The FMS through the Fiscal Control Division shall make the payment to NFA-CO.

#### **IV. Effectivity Clause**

This Memorandum Circular takes effect immediately and revokes previous Orders contrary to it.

Issued in Quezon City, this <sup>29<sup>th</sup></sup> day of December 2005.

  
**LUWALHATI F. PABLO**  
Secretary, DSWD



NO. : \_\_\_\_\_  
DATE : \_\_\_\_\_  
Prepared By: \_\_\_\_\_  
(PMB - Officer Staff)

( Part I, For DSWD to Fill-up )

**AUTHORITY TO WITHDRAW RICE FROM NFA  
ON CREDIT PURCHASE**

**TO :** The Director  
Marketing Operation  
National Food Authority

**ATTN :** Operation Coordination Division

This is to authorize \_\_\_\_\_  
Name (Field Office) \_\_\_\_\_ Name (Alternate) \_\_\_\_\_  
\_\_\_\_\_  
Position \_\_\_\_\_ Position \_\_\_\_\_  
\_\_\_\_\_  
Office \_\_\_\_\_ Office \_\_\_\_\_

To withdraw \_\_\_\_\_ (P \_\_\_\_\_ )  
Amount in words \_\_\_\_\_

Place of Withdrawal \_\_\_\_\_ Place of Delivery \_\_\_\_\_  
NFA Branch Warehouse

Source of Fund: \_\_\_\_\_ No. of sacks of rice \_\_\_\_\_

Purpose: \_\_\_\_\_

Office Responsible for payment: \_\_\_\_\_

**PAYMENT ARRANGEMENT:**

\_\_\_\_\_ to be paid at Central Office

\_\_\_\_\_ to be paid by the Field Office

**RECOMMENDED BY:**

**APPROVED/DISAPPROVED:**

\_\_\_\_\_  
Director , Program Management Bureau

\_\_\_\_\_  
Undersecretary , Operation and Capacity Bldg. Group

( Part 11, For NFA to Fill-up )

**DELIVERY DETAILS**

No. of Sacks to be Delivered: \_\_\_\_\_ Variety: \_\_\_\_\_

Cost: \_\_\_\_\_

Delivery Cost: \_\_\_\_\_

Total: \_\_\_\_\_

\_\_\_\_\_  
Director , Marketing Operation

(Part III, For DSWD to Fill-up )

**REQUEST FOR ALLOTMENT / SUB - ALLOTTMENT OF FUNDS**

Amount : \_\_\_\_\_  
( in words & figures )

Certificate of Availability of Funds: \_\_\_\_\_

**Certified Approval of Funds:**

**Approved By:**

\_\_\_\_\_  
Chief, Budget Division

\_\_\_\_\_  
Undersecretary , GASSG

## **Instruction to Fill Up**

### **The Authority to Withdraw Rice (ATWR)**

To accurately track the requests for procurement of rice and non-rice commodities and the corresponding approval for such requests and appropriation of funds, the Authority to Withdraw Rice Form (ATWR) shall be used.

The ATWR shall be issued by PMB as part of the document endorsing for approval by the Undersecretary for OCBG the request to augment rice and non-rice commodities from requesting parties. The ATWR shall consist of three parts, namely: (1) the authority to withdraw rice, (2) the payment arrangement, and (3) request for Certificate of Availability of Funds and Sub-Allotment.

Part I of the ATWR approves the withdrawal of rice and non-rice commodities from NFA and provides NFA with information on names of DSWD personnel and their respective positions and offices, who are given the authority by DSWD-CO and DSWD-FO to receive a given quantity of commodities in behalf of the requesting party. This portion also provides information on the purpose for which the commodities are to be used, the place of delivery, and the source of funds.

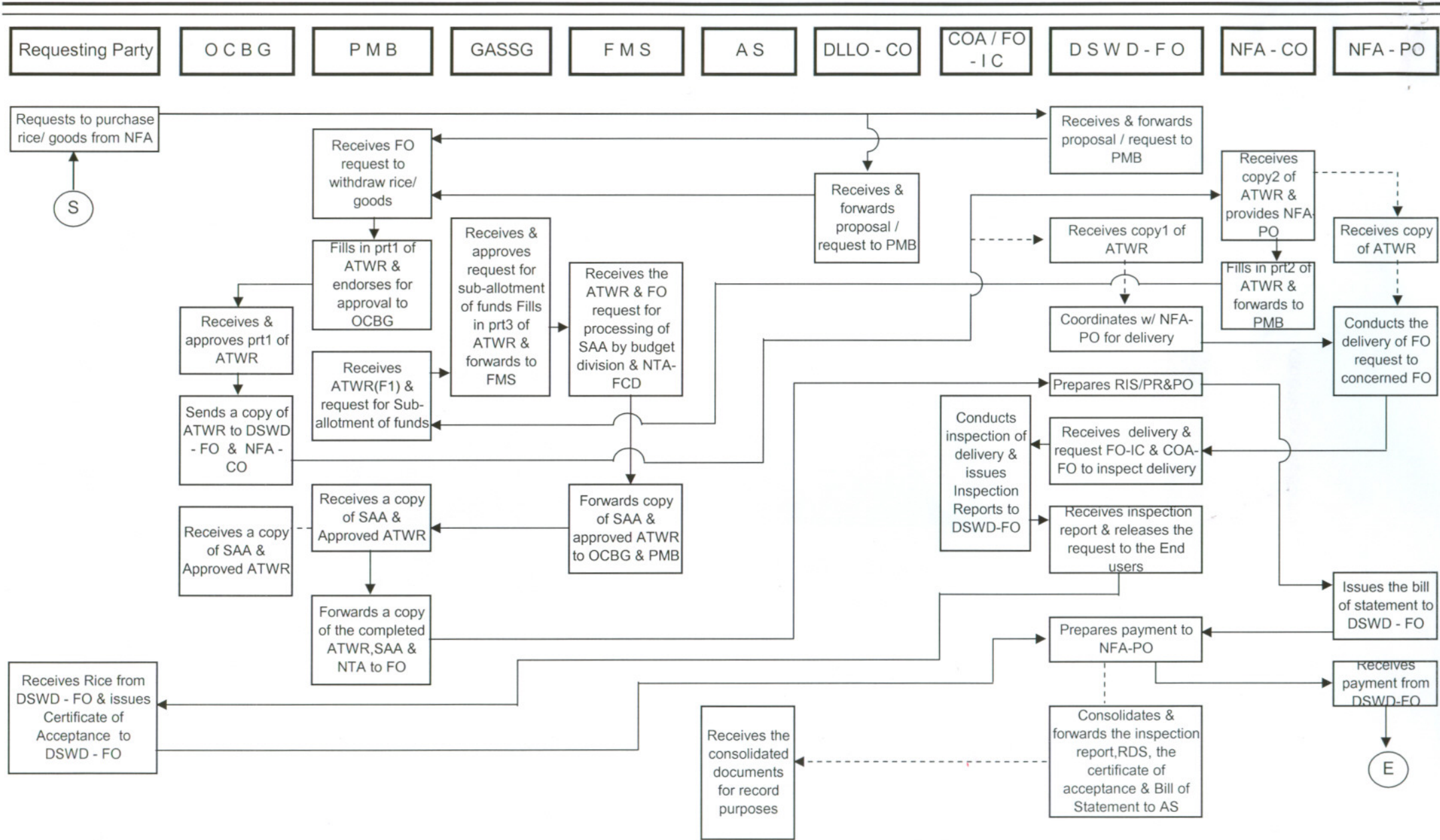
Part II of the ATWR is to be filled in by NFA-CO. This portion acknowledges the receipt of the ATWR and provides DSWD-CO with the information on the (1) number of sacks of rice and non-rice commodities to be delivered; (2) the variety of rice ; (3) the price and total cost of commodities; (4) the delivery charge; and, (5) the total cost of the transaction.

Part III of the ATWR is to be filled in by the Financial Management Service. This portion shall certify that funds are available for the particular transaction and approves the sub-allotment of funds if the payment will be done by the DSWD-FO.

To immediately respond to the needs of disaster victims, and fast track the procurement procedure, the Purchase Order for the procurement of rice and non-rice commodities from the NFA during times of disasters and calamities only.



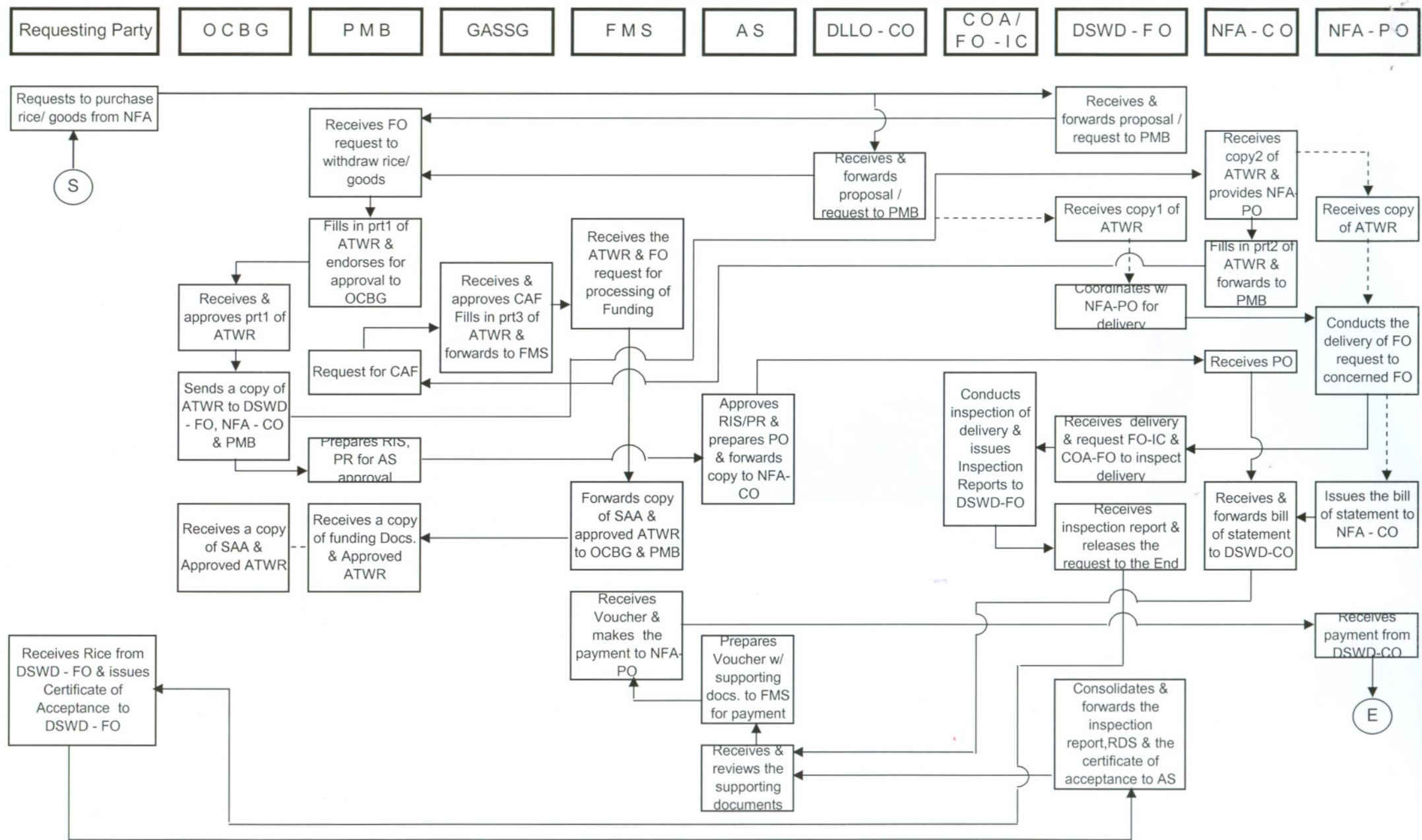
**Figure 1.** Flowchart of Procedure on Withdrawal of Rice / Non-Rice Commodities from NFA w/ Sub-allotment of Funds to Field Office.



\*ATWR Form1 - Authority to Withdraw Rice from NFA with Request for CAF & SAA



**Figure 2.** Flowchart of Procedure on Withdrawal of Rice from NFA at the Field Office with Payment At the Central Office.



\*ATWR Form1 - Authority to Withdraw Rice from NFA with Request for CAF & SAA