



Memorandum Circular No. 10
Series of 2024

SUBJECT : POLICY ON DIGITAL PAYMENTS USING TRANSACTION ACCOUNTS FOR THE EASE OF DELIVERY OF SOCIAL PROTECTION PROGRAMS AND SERVICES IN THE DEPARTMENT OF SOCIAL WELFARE AND DEVELOPMENT

I. RATIONALE

The Department of Social Welfare and Development (DSWD), a key provider of social protection programs and services for vulnerable, marginalized, and disadvantaged individuals and communities, presently employs a manual pay-out approach for distributing cash assistance, grants, and transfers. This entails designating regular and contractual employees as Special Disbursing Officers (SDOs). The prevailing manual or cash-based payout disbursement system exhibits inefficiencies, delays, and susceptibility to fraudulent activities. This adversely affects beneficiaries, primarily disadvantaged individuals and families, resulting in diminished program effectiveness.

Furthermore, the current system presents several challenges for SDOs, including but not limited to:

- **Safety Concerns:** Transporting cash exposes workers to potential risks of violence and intimidation during delivery.
- **Administrative Burden:** The SDO role involves extensive administrative tasks, diverting resources from direct beneficiary assistance due to excessive paperwork which requires lots of administrative expenses e.g. paper and pen (supplies), manpower during payout and transportation expenses and adherence to multiple regulations.
- **Excessive Workloads:** The processing time for manual or cash-based disbursements slows down the payment cycle and frequently causes delays, particularly on weekends and non-working holidays.

In light of this intricate context, the proposed policy presents a compelling case for transitioning from the existing manual process to a streamlined digital payment system utilizing **transaction accounts**. This shift holds the potential to bring about transformative changes as we move from manual or cash-based disbursements to digital payments for social protection programs and services thereby reducing turnaround time, and limiting the opportunities for corruption.

Along with this policy is the alignment of the Philippine Development Plan (PDP) 2023-2028 under Chapter 1 that growth must be inclusive, building an environment that provides equal opportunities to all Filipinos, and equipping them with skills to participate fully in an innovative and globally competitive economy. Likewise, in Chapter 14, Practice Good Governance and Improve Bureaucratic Efficiency and Digital Philippines program where quick, reliable and affordable internet services shall be set up which will facilitate efficient delivery of public service.

In 2023, Bangko Sentral ng Pilipinas (BSP) Digital Payments Transformation Roadmap Report. Page 22. Item IV. A. viii. provided that Government to Person (G2P) Digital payment services helped the government to promptly deliver social services through the quick and safe means of disbursement of funds to concerned stakeholders.

The limitations of the current system, combined with valuable insights from stakeholders, undeniably emphasize the urgent need for change. Embracing digital payments not only aligns with the government's digital transformation agenda and upholds data privacy regulations, but also takes significant strides towards achieving inclusive development by fostering financial inclusion and empowerment.

This policy stands as an essential step forward, not just in terms of operational efficiency, but also in our commitment to ensuring that every eligible beneficiary, client or family, especially the vulnerable, marginalized, and disadvantaged, can benefit equitably from the services we provide.

II. LEGAL BASES

A. National Legislations:

1. **Executive Order No. 170, Series of 2022, or the “Adoption of Digital Payments for Government Disbursements and Collections and its Implementing Rules and Regulations** mandates government agencies to use digital payments for disbursements and collections. Its Implementing Rules and Regulations (IRR) empower beneficiaries to choose a transaction account for fund disbursement.
2. **Republic Act (RA) No. 11127, otherwise known as the National Payment Systems Act** provides a comprehensive legal and regulatory framework which promotes safe, secured, efficient, and reliable operation of payment systems to support the twin objectives of maintaining a payment system that is necessary to control systemic risk and providing an environment conducive to the sustainable growth of the economy.
3. **RA No. 11032, or an Act Promoting Ease of Doing Business and Efficient Delivery Services, amending for the Purpose RA No. 9485, otherwise known as the Anti-Red Tape Act of 2007** promotes integrity, accountability, streamlining of processes, efficient

government service, transparency in public transactions and graft prevention.

4. **RA No. 10173, otherwise known as the Data Privacy Act of 2012** aims to protect personal data in information and communications systems both in the government and the private sector.
5. **RA 8792, otherwise known as the Electronic Commerce Act** promotes the universal use of electronic transactions in the government and by the general public.

B. National Issuances:

1. **PDP 2023-2028** outlines the government's strategy to expedite digital transformation for efficient services. The plan aims to create an interconnected network through an e-Governance law, integrating efforts like digital payments, the E-Government Masterplan, and Philippine Identification System integration.
2. **National Strategy for Financial Inclusion 2022-2028** serves as a six-year blueprint to achieve the vision of driving financial inclusion toward broad-based growth and financial resilience. It defines four desired outcomes as pathways to the vision and upon which performance of the strategy should be measured.

C. Oversight Agency Issuances:

1. **Commission on Audit (COA) Circular No. 2023-006 - August 2, 2023. Guidelines Implementing the Preservation of Electronic Vouchers, Supporting Documents, and other Records and Reports submitted to Audit Teams pursuant to COA Resolution No. 2023-007 dated August 2, 2023** shall govern the custody, safekeeping and preservation of vouchers, supporting documents, and other records and reports submitted by government entities to the audit teams in electronic form.
2. **COA Circular No. 2021-014 - December 22, 2021. Guidelines on the use of Electronic Collection (e-Collection) and Electronic Payment (e-Payment) for Government Transactions** provides clear audit policies and guidance on the use of e-Collections and e-Payments for government transactions.

III. OBJECTIVES

The policy on the digital payments using transaction accounts for the ease of delivery of social protection programs and services aims to achieve the following:

1. **Technology - Aided Beneficiary Experience:** Ensure a user-friendly system for beneficiaries interacting with social protection programs.

2. **Enhance Security and Interoperability:** Strengthen data security and enable seamless transactions across platforms.
3. **Improve Efficiency and Transparency:** Expedite disbursements, reduce administrative inefficiencies, and provide transparent transaction tracking.

IV. SCOPE AND COVERAGE

This policy applies to all social protection programs and services involving cash assistance, cash grants or cash transfers to clients and beneficiaries implemented by DSWD.

V. DEFINITION OF TERMS

1. **Application Programming Interface (API)** – refers to a set of protocols, routines, and tools for building software and applications. APIs define the methods and data formats that applications can use to communicate with each other.
2. **Authorized Government Depository Banks (AGDBs)** – These refer to banking institutions accredited and managed by the government which are also categorized as government-owned and -controlled corporations (GOCCs) or government financial institutions.
3. **Banks** – refer to entities engaged in the lending of funds obtained in the form of deposits.
4. **Basic Deposit Account (BDA)** – This refers to an interest or non-interest-bearing account with a simplified know-your-customer (KYC) requirement, an opening amount of less than PHP 100, no maintaining balance, and no dormancy charges account. The account can be virtual or can come with an ATM or debit card. A basic deposit account is essentially a no-frills account designed to attract more people, particularly the poor or low-income segment, to start banking.
5. **Bangko Sentral ng Pilipinas-Supervised Financial Institutions (BSFIs)** - refers to financial institutions in the Philippines that are regulated and supervised by the BSP, which is the central bank of the Philippines.
6. **Beneficiary** - refers to an individual or entity that receives benefits, profits, or advantages from a particular arrangement, transaction, or situation.
7. **Data Capturing System** - refers to a technology or process that is designed to collect, record, and store information from various sources in compliance with the Data Privacy Act.

8. **Digital Payment System** - refers to a financial transaction or payment method that involves electronic devices and online platforms to facilitate the exchange of money between individuals, businesses, or entities.
9. **Electronic Fund Transfer (EFT)** - refers to the electronic exchange or transfer of money from one account to another, either within the same financial institution or between different financial institutions. EFT transactions are commonly used for various financial activities, including direct deposits, electronic bill payments, wire transfers, and online banking transactions.
10. **Electronic Money or Wallet (E-Money or E-Wallet)** – This refers to money whose monetary value is digitally stored in an electronic account. It can be accessed remotely via an electronic device like mobile phones or via prepaid (ATM) cards. Just like physical money, it is a store of value. E-money is non-interest-bearing, has minimal KYC requirement, has no initial deposit requirement, and has no maintaining balance requirement. It is not considered a deposit account and therefore not covered by insurance¹. E-money can only be issued by Electronic Money Issuers (EMIs) which can be EMI-banks (Bank of the Philippine Islands (BPI), Banco de Oro (BDO), Land Bank of the Philippines (LBP), etc.), and EMI-non-bank financial institutions (GCash, PayMaya, OmniPay, StarPay, etc.)
11. **Electronic Money Issuers (EMIs)** – refers to a financial institution or entity that is authorized to issue electronic money, a digital equivalent of physical cash.
12. **Financial Inclusion** – This refers to a state wherein there is effective access to a wide range of financial products and services by all.
13. **Financial Literacy** – This refers to the level of knowledge about financial concepts and principles.
14. **Financial Service Providers (FSPs)** - refer to institutions or entities that offer various financial services to individuals, businesses, or governments.
15. **Geographically Isolated and Disadvantaged Areas (GIDAs)** refer to communities with marginalized population physically and socio-economically separated from the mainstream society and characterized by:
 - Physical factors such as those isolated due to distance, weather conditions and transportation difficulties (island, upland,

¹ E-money or e-wallet is not covered by the Philippine Deposit Insurance Corporation (PDIC) per BSP Circular 649 Series of 2020.

lowland, landlocked, hard to reach and unserved/ underserved communities);

- Socio-economic factors such as high poverty incidence, presence of vulnerable sectors, communities in or recovering from situations of crisis or armed conflict.

16. Interoperable Electronic Fund Transfer (IEFT) - refers to the seamless and standardized exchange of electronic financial transactions between different systems, platforms, or financial institutions.

17. Program Implementing Office (PIO) - refers to an entity or office responsible for executing and managing the implementation of a particular program or project.

18. Transaction Account – This refers to an account in the form of a deposit account or e-money or e-wallet held with AGDBs and other BSFIs which can be used to store money, send payments, receive deposits, and serve as a gateway to other financial services, such as insurance, loans, investments, etc.

19. Unified Beneficiary Database (UBD) - The UBD will be a dynamic repository of master data on core beneficiary attributes (that is, basic demographic information, family and household groupings, socio-economic status, health and disability status)

VI. POLICY STATEMENTS:

1. The DSWD shall utilize **transaction accounts** as the **default mode** of payment for social protection delivery programs and services involving cash assistance, cash grants, or cash transfers to clients and beneficiaries.
2. As an **exception, manual cash payouts** provided in the **existing policies** of DSWD programs shall only be resorted to as an acceptable suppletory alternative if any of the following extraordinary circumstances are present which render the use of digital payments or transaction accounts impossible, unavailable or inaccessible:
 - a. Beneficiaries /recipients of grants are residing in GIDAs;
 - b. Beneficiaries /recipients of grants are located in areas under a State of Emergency, whether local or national;
 - c. Beneficiaries /recipients of grants are in areas under natural and man-made disasters or crises; and
 - d. Other analogous cases or situations.

3. The utilization of transaction accounts shall be subject to a transition period, including the conduct of pilot testing, not later than 31 December 2024 or subject to an extension by the management.
4. The DSWD commits that the use of the transaction account shall be:
 - a. In compliance with relevant laws and policies, including but not limited to the National Payment Systems Act, the Electronic Commerce Act, the Philippine Development Plan, the Data Privacy Act, and COA Circular No. 2021-014;
 - b. Subject to appropriate safeguards to be established in close coordination with the BSP, Anti-Money Laundering Council (AMLC) to ensure safety and security of electronic transactions to lessen financial crime risks;
 - c. Accompanied by clear and effective communication strategies to ensure that beneficiaries understand the benefits and requirements of using transaction accounts and can make informed choices about their use; and
 - d. Monitored regularly based on the established safeguards, key result areas and indicators as inculcated in the monitoring and evaluation framework to assess its impact on the efficiency, transparency and security of the delivery of social protection programs and services.
5. The client and beneficiaries shall have the right to choose the transaction account they prefer in accessing the DSWD programs and services from the list of the DSWD partner EMIs. Those beneficiaries who have an existing transaction account such as 4Ps, Social Pension (SocPen) and Unconditional Cash Transfer (UCT) / Targeted Cash Transfer (TCT) may opt to:
 - a. Retain their existing LBP transaction account;
 - b. Upgrade their transaction account with LBP (e.g., Piso Plus Account, Regular Savings or Current Account); or
 - c. Select other FSPs, Other Banks or EMIs.

Moreover, in case of non-submission of their preferred transaction accounts, the clients accessing DSWD services will be endorsed to the assigned AGDB for account opening. The clients will retrieve the newly opened transaction accounts from the AGDB and submit to DSWD the account information details through a secure data capturing system to facilitate the disbursement of their respective grants.

VII. Requirements for the Use of Transaction Accounts

Beneficiary Requirements:

1. Common Requirements

Must have biometric data, captured either through PhilSys or by DSWD for authentication purposes.

2. Specific Requirements per category

For beneficiaries or clients who nominate their preferred transaction account with a participating receiving entity of an interoperable EFT scheme.

The beneficiary or client must have a valid transaction account with any bank or EMI, as long as the selected institution is a participating recipient in an interoperable EFT system.

For beneficiaries who did not nominate their preferred transaction accounts:

- i. Must have a valid government-issued identification card, preferably Philippine Identification (PHIL ID) card.
- ii. Must comply with the procedures and guidelines stated in the memorandum of agreement or contract between DSWD and AGDB.

For clients who are guardians of beneficiaries:

- i. Must have a valid government-issued identification card, preferably PHIL ID card.
- ii. Civil registration documents showing proof of relationship with the beneficiaries preferably up to 4th civil degree of consanguinity.
- iii. Written consent from the beneficiaries

VIII. Operational Guidelines

A. For beneficiaries or clients who nominate their preferred transaction account in a participating receiving entity of an interoperable EFT scheme.

Registration using a transaction account and data capturing system:

- a. Beneficiaries submit their transaction account details to DSWD via a transaction account and data capturing system.

- i. If the beneficiaries have existing information or profile in the UBD, the application or module shall pull the data subject to confirmation of the beneficiary;
 - ii. The Standard Operating Procedures (SOPs) / Operations Manual will specify the minimum required data.
- b. DSWD notifies the beneficiary of the successful and unsuccessful registration through SMS, email and other forms of social media platforms such as through Facebook Messenger, if available.

Authentication and Activation:

- a. DSWD captures the biometric data of the beneficiary either through PhilSys or in the absence of PhilSys availability, by DSWD for authentication purposes.
- b. To ensure the accuracy of the beneficiary's identity, DSWD will authenticate against the biometric data captured by PhilSys or DSWD.

The clients who are guardians of beneficiaries are required to have an authorized biometric-based identification for authentication and activation either captured by PhilSys or DSWD.

- c. Only after successful authentication through the biometric data can the DSWD use the beneficiary's transaction account in transferring cash assistance, cash grants or cash transfer. **In the event of failure to pass the automated authentication process, manual verification will be employed or used.**

B. For beneficiaries or clients who did not nominate their preferred transaction account

1. The DSWD shall facilitate opening of a Land Bank transactional account or that of other AGDB, as a default option.
2. The DSWD Program Implementing Office (PIO) shall collaborate with an AGDB to establish tailored service level agreements that address the unique requirements of their programs.
3. In order to avoid the creation of multiple accounts, the DSWD PIO shall generate the list of beneficiaries who do not have transaction accounts, using reconciled records from the UBD and their program databases.
4. DSWD shall request the AGDB to open a new transaction account on behalf of the beneficiaries.

5. The engaged AGDB shall provide the account number and other necessary details of the newly opened transaction account to DSWD.
6. DSWD PIO shall update and push the account details of the newly opened transaction account using the applicable data capturing system, which is linked or synched to the UBD.
7. DSWD PIO shall inform the beneficiary of the new transaction account details, at least through SMS and email.

IX. Fees and Charges

1. The PIO is responsible for allocating the budget to cover cash out allowance fees for GIDA down to the *sitio* level, associated bank transfer fees, as stipulated in the memorandum of agreement or a service level agreement with the AGDB, and any relevant SMS charges.
2. There is in no case that a fee for transfer of funds or switching fee will be collected from the beneficiaries grants during the two (2) year transition period starting 2024 to 2025. Said transfer fee or switching fee may be applied against top-up funds but after the said transition period or as may be determined by the DSWD and the AGDBs.

X. Communication and Social Media Strategy, Training and Capacity Building and Monitoring and Evaluation

1. Communication and Social Media Strategy.

- a. Traditional Media Service (TMS) shall develop a comprehensive communication plan for this policy.
- b. Digital Media Service (DMS) and TMS shall develop a clear and concise message that highlights the benefits and importance of using transaction accounts for government subsidies and assistance.
- c. DSWD shall use various channels to reach out to beneficiaries, including social media, radio, television, and community meetings.
- d. DSWD shall work with partners and stakeholders to amplify the message and increase outreach.

2. Training and Capacity Building.

- a. Social Welfare Institutional Development Bureau (SWIDB) shall develop a comprehensive training program for beneficiaries and partner BSFIs that includes the basics of financial management,

use of transaction accounts, and security measures and may take off from the existing DSWD financial literacy materials such as the 4Ps Financial Literacy Manual and coordinate with BSP through the Financial Inclusion Steering Committee (FISC) for their financial literacy Information, Education and Communication (IEC) materials. BSP also provides technical assistance in developing a monitoring framework.

- b. DSWD shall establish a help desk or hotline, providing user guides, tutorials, and collaborating with community-based organizations to offer training and support.
- c. DSWD shall incorporate the use of technology and online platforms in the training program to reach more beneficiaries.

3. Monitoring and Evaluation.

- a. DSWD shall establish a comprehensive monitoring and evaluation plan and framework to track the impact of transaction accounts on social protection delivery programs and progress of the implementation of the policy on the use of transaction accounts.
- b. DSWD shall conduct assessments and data analysis on a semestral basis or as more frequently as needed to identify areas for improvement and implement necessary changes.
- c. DSWD is dedicated to evaluating the effectiveness of its policies through user feedback surveys and external evaluations. The PIO will oversee monitoring, while the Policy Development Planning Bureau (PDPB) will be responsible for conducting annual evaluations.
- d. This policy shall be subject for review annually or as need arises.

XI. Institutional Arrangements

The following institutional arrangements are necessary for the successful implementation of this policy:

1. **Program Implementing Offices (Pantawid Pamilyang Pilipino Program (4Ps), Program Management Bureau (PMB), Disaster Response Management Bureau (DRMB), Sustainable Livelihood Program (SLP), and other DSWD programs)**

The PIOs shall be responsible for the following:

- a. Enhance the beneficiary intake sheet or enrollment forms to include the transaction account information of their program beneficiaries.
- b. Ensure the capture of biometric data of beneficiaries either through PhilSys integration or through other reliable partners and data capture methods.
- c. Collaborate with PDPB and Information and Communications Technology Management Service (ICTMS) to facilitate seamless integration of existing databases to the UBD.
- d. Ensure the integrity of beneficiary information and accuracy of beneficiary data.
- e. Take charge of the training and capacity building component of this policy.
- f. Empower beneficiaries with the knowledge and skills needed to take full advantage of transaction accounts and improve their financial well-being in collaboration with the DMS.
- g. Comply with the provisions of the Data Privacy Act by:
 - i. Safeguarding the confidentiality and privacy of beneficiary information;
 - ii. Implementing appropriate measures to protect against data breaches and unauthorized access; and
 - iii. Providing mechanisms for beneficiaries to access and correct their personal information

2. **Information and Communications Technology Management Service (ICTMS)**

ICTMS is responsible for the development of a data and transaction account to populate the UBD and an API to integrate the existing databases of DSWD programs to the UBD.

The ICTMS is expected to perform the following responsibilities:

- a. Ensure that the necessary hardware, software and peopleware requirements of this policy are available and develop innovative technologies, cybersecurity measures to safeguard the Department from security breaches,

fraud, and other threats. Likewise, assist in the development of the systems manual.

- b. Ensure the inclusion of features and functionalities in the system and compliance to RA No. 10173 otherwise known as the Data Privacy Act of 2012 to protect the individual personal information that may be collected, processed and shared through the information system.

3. **Financial Management Service (FMS)**

FMS is responsible for overseeing the implementation of this policy and in providing guidance on the engagement with AGDBs and FSPs in compliance with COA, Department of Budget and Management (DBM), Department of Finance (DOF), BSP and Office of the President (OP) Rules and Regulations in the area of Financial Management.

4. **Policy Development and Planning Bureau (PDPB)**

PDPB plays a crucial role in the implementation of this policy.

Specifically, PDPB has the following responsibilities:

- a. Lead the monitoring and evaluation component of this policy.
- b. Ensure that all programs have submitted and integrated their list of beneficiaries and said lists are stored in the UBD.
- c. Coordinate with the PIOs, ICTMS, FMS to ensure the effective integration of the existing PIOs databases and the beneficiaries' transaction accounts into the UBD.
- d. Provide technical assistance and capacity building to implementing units and partners in the implementation of the policy.
- e. Conduct monitoring and policy impact assessment to identify areas for improvement.
- f. Collaborate with other government agencies and stakeholders to harmonize policies and streamline processes related to the use of transaction accounts.
- g. Lead in the preparation of the manual prescribing the minimum data requirements in the registration of the beneficiaries

5. Digital Media Services (DMS)

The following are the responsibilities of the DMS:

- a. Lead the communication and social media strategy component of this policy.
- b. Ensure that PIOs are aligned and coordinated in their messaging.
- c. Reach the widest possible audience with communication efforts.
- d. Develop and execute social media contents to promote the use of transaction accounts among beneficiaries.
- e. Monitor the effectiveness of the social media strategy performed and recommend improvements to ensure successful implementation of the policy on the use of transaction accounts.

6. Traditional Media Service (TMS)

Develop a comprehensive and consistent communication plan in collaboration with PIOs based on AO 8, s. 2023.

7. Agency Operations Service (AOS).

- a. To receive inquiries and/or grievances related to the implementation of this policy through the following platforms (e.g.), DSWD Hotline, Public Assistance and Complaints Desk (PACD), DSWD emails, 8888 Citizens' Complaint Hotline, CSC Contact Center ng Bayan and Presidential Action Center (PACE).
- b. To provide an initial response to the inquiries and/or grievances related to the implementation of this policy that falls under Simple transaction using the approved FAQs provided by the FMS. For Complex and Highly Technical concerns, AOS refers the matter to the concerned OBSU for immediate resolution as mandated by the RA 11032.

8. Legal Service (LS)

LS plays a crucial role in the implementation of this policy and is responsible for providing comprehensive technical assistance, sound legal opinions, expert advice, and exceptional services to ensure effective engagement with AGDBs and BSFIs in matters of legal management.

9. **Social Welfare Institutional Development Bureau (SWIDB)**

SWIDB shall develop a comprehensive training program or modules to be used by PIOs to ensure uniformity in training procedures and content delivery.

10. **Committee on Anti-Red Tape (CART)**

CART shall monitor the execution and continuous improvement of SOPs.

XII. Suppletory Application Clause

In cases where the default mode of digital payments or transaction accounts cannot be used, are unavailable, or are inaccessible, the following provisions of the respective DSWD Memorandum Circulars utilizing cash payments shall be applied suppletorily:

- a. Section IX. A.1 of Memorandum Circular (MC) No. 016, series of 2022 and Section VIII.A. Step 4a.i of MC No. 006, series of 2023, the Amendment to the MC 16, series of 2022, "Revised Guidelines on the Implementation of the Assistance to Individuals in Crisis Situation";²
- b. Section VIII.C.1 & 2, D.1 and Section IX.A, B & C of MC No. 04, series of 2019, "Omnibus Guidelines in the Implementation of the SocPen for Indigent Senior Citizens" and Section III of MC No. 017, series of 2022, "Amendment to Memorandum Circular (MC) No. 016 Series of 2021 for the Release of SocPen from Quarterly to Semestral and Supplemental Provision to MC No. 04 Series of 2019 to Include Transfer of Funds to Local Government Units (LGUs)";³

² "FINANCIAL ASSISTANCE - it may be cash or through guarantee letter

1. Cash - For assistance in the amount of Php10,000.00 and below, the entitled client may claim it from the designated disbursing officer within the day, subject to the availability of funds.

STEP 4: RELEASING OF ASSISTANCE

a. All approved request shall be forwarded to the SDO/RDO/DSWD personnel for releasing depending on the mode of assistance:

i. Financial Assistance will be released by the Regular/ Special Disbursing Officer/s of the FMS/U or the designated disbursing officer for cash, or to the CIU/CIS/SWAD Office for the GL, or ticket booking, if transportation assistance."

³ VIII.C. Notification of the Social Pension Beneficiaries

1. The OSCA Head will immediately inform the indigent senior citizen and/or his/her family through a written notification on his/her approval as Social Pension beneficiary based on the approved list by the DSWD FO. The OSCA Head may also coordinate with the respective SCO Presidents to assist in the dissemination of notice to the qualified beneficiaries.

2. The DSWD FO shall conduct a brief orientation to the beneficiaries and their authorized representative during pay-out to discuss the procedures in the availment of the Social Pension. It shall be highlighted during the orientation that Social Pension is a Program of the National Government

VIII.D. Provision of Stipend to the Beneficiaries.

1. The DSWD FO will inform the City/Municipal Mayor through the OSCA Head and LSUDO of the schedule of the pay-out. The OSCA Head shall then inform the beneficiaries of the date and venue of the pay-out.

IX. "DELIVERY SCHEMES ON SOCIAL PENSION

As stipulated in the GAA, the DSWD shall ensure that the stipend shall be given directly to senior citizen beneficiaries. In delivering the stipend to the social pensioners, the DSWD must guarantee that the most cost-effective and efficient modality for the distribution of the stipend will be employed, subject to the assessment of the FO and approval of the Regional Director. Any of the three (3) delivery schemes, discussed below, may be utilized or in case all shall not be feasible, the FO must identify another modality/ scheme which may be effective provided the same is allowable under existing rules and regulations. In all cases, the choice of the applicable delivery scheme may vary periodically or may be combined considering the prevailing status, condition and geographical condition of the senior citizen beneficiaries vis-à-vis the local situations, issuances or directives of the Secretary. The following shall be guide on how each modality/scheme shall be implemented:

A. Cash Advance by a Designated Special Disbursing Officer (SDO) — The stipend will be given directly to the beneficiary through cash pay-out by the SDO of the DSWD FO.

B. Door-to-Door Delivery Scheme — Through the engagement with the service provider duly accredited by the Bangko Sentral ng Pilipinas (BSP) and whose services are procured by the FO in accordance with existing laws, the stipend will be delivered directly to the residence of the beneficiary.

C. Cash Card Thru Authorized Government Depository Bank (AGDB) — Through the engagement with an AGDB, the amount of stipend will be credited to the cash card of the beneficiary.

- c. SECTION VIII.B.5 of MC No. 012, series of 2023, Guidelines on the Implementation of Cash-for-Work (CFW) Program for Learning Facilitators, Parents of Non/Struggling Readers and Youth Development Workers Belonging to No Income or Low Income Families and Individuals in Difficult Circumstances under the Kapit-Bisig Laban sa Kahirapan - Comprehensive and Integrated Delivery of Social Services - Kapangyarihan at Kaunlaran sa Barangay (KALAHI-CIDSS KKB);⁴
- d. SECTION VII.B.2 of MC No. 016, series of 2023, Guidelines on the Implementation of Early Recovery Programs and Services (IERPS) for Disasters/Emergencies; ⁵
- e. SECTION VIII.3.D.2 of MC No. 007, series of 2023, Revised Guidelines for the Comprehensive Implementation of the Sustainable Livelihood Program.⁶

XIII. Effectivity Clause

This issuance shall take effect immediately after its publication in the Official Gazette or in a newspaper of a general circulation.

Issued in Quezon City this _____ day of _____ 2024.

REX GATCHALIAN
Secretary

Date: 11 APR 2024

Certified True Copy

WILLIAM V. GARCIA, JR.
OIC-Division Chief

Records and Archives Mgt. Division 11 2 APR 2024

⁴ "Release of assistance to the project beneficiary. Upon approval of the documentary requirements of the I-GU, the FO shall arrange the payout schedule with the assistance of the LGU in coordinating with project beneficiaries and the provision of logistical and administrative support during the payout. Direct payment through Special Disbursing Officers of the FOS (as prescribed by DSWD Administrative Order (AO) No. 13, Series of 2021) is recommended. Further, the FO may explore other modes of payment which include but are not limited to, the following:

- 1. Direct Electronic Payment (DEP) Scheme or Transfer-Distribute-Liquidate (TDL) Scheme with existing program beneficiaries⁴ (following the Commission on Audit Circular (COA) Circular No. 2021-014);
- 2. Fund transfer to LGUs (following COA Nos. 2012-001, and 94-013);
- 3. Other financial service providers; and
- 4. Others, as deemed applicable."

⁵ "Actual Execution of Activities

- In general, these activities, which shall be undertaken hand in hand by the LGU and the DSWD-FO, may refer to any of the following:
- Distribution of in-kind assistance (e.g. FNIs, shelter materials) o Distribution of financial assistance and cash vouchers or actual pay-out
 - Payroll administration
 - Referral to other service providers

⁶ "Release of Checks to Participants

D.2. For EF/Individual Referrals

- i. The SCF or EAF shall be directly released to each eligible individual through cash or check payment following existing government auditing and accounting rules and procedures;
- ii. The eligible individual shall receive the grant at the Cash Unit or from the FO's authorized Special Disbursing Officers (SDOs); and
- iii. Pertinent documents relative to the disbursement such as disbursement vouchers or cash assistance payroll shall be properly accomplished and secured and shall be attached to the liquidation report.