

**MEMORANDUM CIRCULAR**

No. 25

Series of 2024

**SUBJECT: AMENDMENT TO MEMORANDUM CIRCULAR NO. 04, SERIES OF 2024, OR THE “GUIDELINES ON THE IMPLEMENTATION OF AYUDA SA KAPOS ANG KITA PROGRAM”**

**I. RATIONALE**

According to the National Economic and Development Authority (NEDA), the country’s full-year average inflation rate for 2023 is pegged at 6.0 percent, with a significant increase in prices of goods, commodities, and services contributing to the overall inflation.

In light of these economic conditions, the General Appropriations Act (GAA) of 2024 has mandated the Department of Social Welfare and Development (DSWD) to implement measures under the ***Ayuda sa Kapos ang Kita Program (AKAP)*** to provide financial assistance ensuring that beneficiaries can meet their basic needs despite the economic challenges posed by the rising inflation.

The amendment outlines that any individual earning from the formal economy and Informal economy whose income does not exceed the statutory minimum wage<sup>1</sup> or has lower income and who was severely affected by rising inflation is eligible for assistance and establishes this guideline for further implementation of MC No. 04, s. 2024, and the existing budgeting, accounting, and auditing rules and regulations.

The amendment aims to enhance the program delivery, alleviating economic hardships by streamlining the fund distribution process, enhancing the efficiency of aid delivery, and addressing any gaps or ambiguities in the original guidelines. The objective of the amended guideline is to ensure that financial assistance under AKAP reaches those in need, and affected by inflation in a timely and effective manner.

Moreover, this Memorandum Circular is deemed necessary to provide comprehensive information to the Department, to ensure a coherent, standardized, and effective program implementation.

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<sup>1</sup> Identified by issuance of Regional Tripartite Wage and Productivity Board (RTWPB) of the Department of Labor and Employment (DOLE)

**II. LEGAL BASES**

Additional Legal bases were included which are stated as items E, F, and G.

- A. General Appropriations Act of 2024, Special Provision No. 3, DSWD Budget - xxx xxx xxx**
- B. Republic Act No. 11291 - xxx xxx xxx**
- C. Republic Act No. 11032 - xxx xxx xxx**
- D. Philippine Development Plan 2023-2028 - xxx xxx xxx**
- E. Republic Act No. 9504** or the National Internal Revenue of 1997, Section 1. Definition of Terms for statutory minimum wage and minimum wage earners.
- F. Republic Act No. 8425**, also known as the “**Social Reform and Poverty Alleviation Act**”
- G. Republic Act No. 10361, Domestic Workers Act, or Batas Kasambahay** provides legal protection and benefits for domestic workers.

**III. PROGRAM COVERAGE AND LIMITATION**

Item III. Program Coverage and Limitation, paragraphs III, IV, and V are amended to:

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To implement the AKAP, Twenty-Six Billion Seven Hundred Million Pesos (P26,700,000,000.00) was allocated to provide financial assistance to individuals who are in need and severely affected by rising inflation from but not limited to the following:

<b>Beneficiaries</b>	
Formal Economy / Minimum Wage Earner	Any individuals whose income is in accordance with the statutory minimum wage, for example: <ul style="list-style-type: none"> <li>a. Non-Agriculture                             <ul style="list-style-type: none"> <li>i. Manufacturing</li> <li>ii. Industrial</li> <li>iii. Private organizations whether for profit or not</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>b. Agriculture (Plantation and Non -Plantation), Forestry and Fishing</li> <li>c. Service/ Retail Establishments             <ul style="list-style-type: none"> <li>i. Transport and Storage</li> <li>ii. Utility workers</li> <li>iii. Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles</li> </ul> </li> <li>d. Domestic Workers (Live-in or live-out arrangements)             <ul style="list-style-type: none"> <li>i. General Househelp</li> <li>ii. Housekeeper/ Househelper, Nanny or Kasambahay</li> <li>iii. Cook</li> <li>iv. Gardener</li> <li>v. Laundry Person</li> <li>vi. Any person who regularly performs domestic work in one household on an occupational basis</li> </ul> </li> <li>e. Any individuals earning minimum wage.</li> </ul>
<p>Informal Economy/ low-income earners</p>	<p>Any individuals with lower income compared to the workers in a formal economy, and earning a living through but not limited to the following:</p> <ul style="list-style-type: none"> <li>a. The informal sector includes, among others, street hawkers, market vendors, pedicab and tricycle drivers, independent repair/construction workers, waste /garbage collectors, home-based industries and services, and others.</li> <li>b. Self-earning individuals are those who independently provide services or sell goods as a means of livelihood without being engaged in an employer-employee relationship. This category excludes professional practitioners and similar professions.             <ul style="list-style-type: none"> <li>i. Service Provider</li> <li>ii. Sari-sari Store Owner</li> <li>iii. Public Utility Vehicle Drivers and Conductors</li> </ul> </li> </ul>

The monthly minimum wage<sup>2</sup> per region varies depending on the area's classification and wages of sector/Industry<sup>3</sup>. To ensure that the beneficiary's monthly income meets

<sup>2</sup>To get the Monthly rate for (a) 6 days a week work [(Minimum rate \* 313 working days)/12 months] while (b.) for 5 working days [(Minimum rate \* 261 working days)/12 months] included Regular Holiday and Special Holiday, Source: DOLE Handbook of Monetary Benefits/ NWPC

<sup>3</sup>Agricultural, Non-Agricultural, Service/ Retail establishment or manufacturing establishments

the minimum wage standards set by the regulatory board or does not exceed the low-income category, the DSWD Regional Offices may secure a copy of updated wage orders from the Regional Tripartite Wage and Productivity Board (RTWPB) of the Department of Labor and Employment (DOLE) or through the Official Website of the National Wages and Productivity Commission (NWPC)<sup>4</sup>. For equitable distribution, the assistance may be provided to two (2) beneficiaries per family.

Additionally, working beneficiaries of DSWD programs under the Pantawid Pamilyang Pilipino Program (4Ps) household beneficiaries, and indigent Senior Citizens who are in need of support and are significantly affected by inflation may be eligible to receive assistance based on their needs and the assessment of the social worker. While, beneficiaries who have availed of the AICS program within the last three (3) months shall be **ineligible** to receive any assistance under the AKAP program, regardless of the types of assistance received.

However, individuals who are ineligible based on the preceding paragraphs but are facing a crisis or in difficult circumstances may be referred to the AICS program, depending on the social worker's assessment. Both programs, AICS and AKAP provision of assistance will be governed by the program's limitations and rules regarding the frequency of availment of assistance.

#### IV. DEFINITION OF TERMS

For the purpose of clarity and implementation of this program, the following definitions of terms are hereby amended and included:

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- b. **Beneficiary** refers to an individual whose income does not exceed the statutory minimum wage and who earns a living through formal and informal economic activities in which these individuals are significantly impacted by rising inflation. The beneficiary shall be the ultimate recipient of the assistance.
- c. Item H of MC no. 4 s. 2024, **Minimum Wage Earners** shall refer to an individual who received daily or monthly compensation of statutory minimum wage applicable to various sectors under the formal economy regardless of their employment status

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- l. **Assistance to Individuals in Crisis Situation (AICS) Program** is one of the social welfare services of the DSWD that provides medical, funeral, transportation,

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<sup>4</sup> <https://nwpc.dole.gov.ph/>

- education, food, or financial assistance for other support services or needs of an individual or family in crisis.
- m. **Cross-matching** refers to the process of counter-checking the information or data sets provided by the client who seeks the assistance of the DSWD.
  - n. **Formal Economy** refers to a range of economic activities that includes businesses in different sectors operated within the legal frameworks, and an organized system of employment where individuals or workers have an employee-employer relationship.
  - o. **Informal Economy** refers to a diverse range of economic activities including informal sectors, self-earning individuals, small-scale producers, and workers without access to formal labor protections and a minimum wage or lower.
  - p. **Low-income earners** refer to individuals whose income does not exceed the statutory minimum wage or has lower income from any informal economic activities. This individual has few financial resources that are susceptible to economic hardship, inflation, and financial crises exacerbating their financial ability.
  - q. **Local Government Units (LGUs)** - are political subdivisions established by or in accordance with the constitution composed of provinces, cities, municipalities, barangays, and autonomous regions as provided by law<sup>5</sup>.
  - r. **Service Providers** under the informal economies refer to activities that encompass different informal providers such as flower arrangers, laborers, barbers, beauticians, photographers, and the like.
  - s. **Statutory Minimum Wage** shall refer to the rate fixed by the Regional Tripartite Wage and Productivity Board, as defined by the Bureau of Labor and Employment Statistics (BLES) of the Department of Labor and Employment (DOLE).

## V. MODALITIES IN PROVIDING ASSISTANCE UNDER AKAP

Item V. Modalities in Providing Assistance under AKAP, letter B-Implementation through LGUs is hereby amended to:

The AKAP may also be implemented through the LGUs. These LGUs may refer to the Provincial, District, Municipality, City, or Barangay Level that is capable and prepared to assist the DSWD in the implementation of the program. The assistance provided to qualified beneficiaries through the LGUs shall be called "**Rice Assistance**" as it shall

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<sup>5</sup>Definition of Terms of Joint Memorandum Circular No 2019-001 Series of 2019 the IRR of RA 11032, or the Ease of Doing Business and Efficient Government Service Delivery Act of 2018

be used for purchasing rice to meet the nutritional requirements of beneficiaries for sustenance.

For this purpose, the DSWD shall enter into a Memorandum of Agreement (MOA) with the qualified LGUs, detailing the terms and conditions for the transfer of funds, liquidation, and program implementation in adherence to Memorandum Circular No. 4, Series of 2024, and this amendment, including pertinent budgeting, accounting, and auditing rules and regulations. The maximum amount of each fund transfer to the LGU for this purpose shall not exceed Twenty Million Pesos (P20 million).

For the implementation of Rice Assistance, the functional LGU/s will engage with the National Food Authority (NFA) and local rice retailers through a MOA. They will serve as the service providers who will supply rice during its implementation. This arrangement will provide valuable benefits, especially to local rice retailers affected by the rising inflation.

The amount of rice assistance provided to qualified beneficiaries shall be equivalent to half of the cost of the twenty-five (25) kilograms of rice based on the suggested retail price from the Department of Agriculture. The assistance may be provided in the form of a cash voucher or guarantee letter which will be presented to the rice retailers and/or NFA partners to claim the rice.

The financial assistance under the AKAP may complement any support provided by the LGU (Districts, Province, City, Municipality, or Baranggay), National Government Agencies, and Non-government Organizations. Further, a beneficiary who has received rice assistance in the LGU may still qualify to receive medical, funeral, or cash relief assistance under AKAP from the DSWD, subject to the requirements under these guidelines, professional assessment of the DSWD social worker, and the availability of funds.

## VI. DOCUMENTARY REQUIREMENTS

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Item VI. Documentary Requirements are hereby amended to include additional provisions, to Wit:

To prove that the beneficiary forms part of an informal economic activity and is significantly impacted by the rising inflation, any of the following documents/ records showing the client's monthly income, issued within three (3) months shall be submitted:

- Certification from his/her direct employer, indicating the length of service, and monthly income, including the full name, and signature of the employer, certified

by any barangay or Local Social Welfare and Development Office (LSWDO) Authorized officials/ any Registered Social Worker. (This may apply to domestic workers, individuals who are directly employed individuals like house helpers, babysitters, caretakers, construction workers/laborers, personal drivers, personal assistants, etc.); or

- Certification issued by any government agency (national, regional, or local level) recognizing certain sectors or groups (i.e farmers, fisherfolks, etc.); or
- Certification from the association's president/ head, or their authorized representative (This may apply to public utility vehicle drivers); or
- Small Business permit/ certification issued by the barangay captain or their authorized representative (This may apply to small business owners); or
- Social Case Summary or Social Case Study Report issued by LSWDO / any Registered Social Worker certifying that per home visitation or validation, the individual belongs to a minimum wage earner; or
- Certificate of Attestation (See Annex A as sample) indicating the name, age, occupation, and address of the beneficiary issued by the Barangay/LSWD authorized officer/ any Registered Social Worker; or
- Notarized affidavit of low income (as needed).

## VII. IMPLEMENTING PROCEDURE

Item VII. Implementing Procedure, letter B-Offsite Implementation is hereby amended to:

### ***B. Offsite Implementation xxx xxx xxx***

To prevent duplication of assistance and ensure that the beneficiaries are eligible to receive appropriate financial support, a group of identified individuals shall be endorsed by referring party to the DSWD-Crisis Intervention Division/ Section/Unit before the scheduled payout. This endorsement will allow for the conduct of cross-matching with the existing AICS databases and a validation process to be completed within fourteen (14) working days. Regional Offices that handle the provinces within the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM) and the Geographically Isolated and Disadvantaged Areas (GIDAs) may provide a considerable timeline for the cross-matching and validation depending on the available resources to reach the location of beneficiaries.

The DSWD-CIS/U shall inform the referring party of the result of the cross-matching and validation for their information and compliance, if necessary.

Once the cross-matching and validation process is completed, the CIU/S may proceed with scheduling the payout. Scheduling of payouts during the weekend is being discouraged. In cases where service must be extended beyond office hours and weekends due to exceptional circumstances, the DSWD management may provide overtime pay, meals, and transportation costs in accordance with the existing accounting rules and policies. These incentives will be subject to the availability of funds.

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### **Item C. Implementation of Rice Assistance through the LGUs, Item No. II.**

1. A Memorandum of Agreement (MOA) governing the transfer of funds for the implementation of rice assistance shall be executed between the Local Government Unit (LGU) and the DSWD. The execution of MOA with LGUs that have pending unliquidated balances from previous fund transfers from the DSWD can only be done upon the approval of the Commission on Audit (COA). Likewise, LGUs with unliquidated cash advances from the DSWD are ineligible for further fund transfer vis-a-vis the downloaded fund is NOT TRANSFERABLE to any other LGUs.
2. The PMB-CID shall provide a draft Memorandum of Agreement for administrative use of the Regional Offices.
3. LGUs shall enter into MOA utilizing the resources and expertise of NFA and Local Rice Retailers in their area. The MOA with NFA and rice retailers must detail the terms and conditions, roles, responsibilities, and obligations of each party involved (LGU, NFA, and rice retailers) and adhere to the standards of MC No. 04, s. 2024, and this document. A copy of the MOA shall be provided to DSWD Regional Offices for reference.
4. NFA and Local Rice Retailers to support the financial documentation and AKAP implementation to LGUs.
5. Item no. 2 in MC No. 04, s.2024. The LGU shall take full responsibility for the proper disposition/disbursement and liquidation of funds and shall govern in accordance with existing accounting and auditing rules and regulations imposed by the COA Circular No. 94-013<sup>6</sup>, and other applicable accounting and auditing manuals used by the Government unless there is a special exemption and authority provided by COA.

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<sup>6</sup>Commission on Audit Circular No. 94-013 entitled SUBJECT : Rules and Regulations in the Grant, Utilization and Liquidation of Funds Transferred to Implementing Agencies.

6. Item no. 3 in MC No. 04, s.2024. During the payout, the LGU shall ensure to keep the following:
  - i. xxx xxx xxx;
  - ii. Photocopy of the beneficiaries' valid identification cards with three signature specimens;
  - iii. xxx xxx xxx; and,
  - iv. xxx xxx xxx;
  - v. xxx xxx xxx

### **VIII. APPROVING AUTHORITY**

The range of financial assistance that will be directly disbursed by the DSWD to the beneficiaries and the authorized approving official or his/her alternate shall be established. Existing Special Order, which outlines the approving authority and alternates for the AICS may be utilized for AKAP as signatories, to harmonize and streamline the documentation for appointed approving officials. For new and succeeding issuances of Authority/Special Order, the document must be approved by the Regional Directors in Field Offices and the Secretary for the Central Office.

### **IX. MONITORING**

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*Paragraph no. 2 of Item No. XII. Reporting, Monitoring, and Evaluation shall be amended to:*

The PMB-CID shall maintain a consolidated physical and financial report on the overall implementation of AKAP and shall provide reports as requested. To enhance transparency and accountability in managing the program's resources, the PMB-CID will strictly implement a fund monitoring tool designed for real-time oversight of the AKAP funds. This tool will ensure precise tracking and monitoring of fund utilization. Thus, the FOs shall submit regular reports as required or requested by the CO and/or the Management, indicating the physical and financial data/information to be submitted online or whichever is applicable.

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**X. EFFECTIVITY**

This Amendment to Memorandum Circular No. 04, Series of 2024, shall take effect immediately upon its publication in the Official Gazette or a newspaper of general circulation in the Philippines. This Memorandum shall also be published at the DSWD official website, and the three (3) copies hereof shall be deposited with the University of the Philippine Law Center.

All guidelines inconsistent with the provisions of this memorandum circular are hereby modified or amended, provided such circulars complement or supplemental details of this guideline.

Issued in Quezon City, this \_\_\_\_\_ day of \_\_\_\_\_ 2024.

  
**REX GATCHALIAN**  
Secretary  
Date: 03 JUL 2024

**Certified True Copy**  
  
**MYRNA H. REYES** 05 JUL 2024  
Administrative Officer V  
Records and Archives Mgt. Division

**ANNEX A**

*(Please insert header of certifying agency)*

**CERTIFICATE OF ATTESTATION**

This is to certify that Mr./Ms. \_\_\_\_\_ FULL NAME  
(First Name-Middle Name- Surname, Extension Name),      (age), residing at  
(Complete Address) \_\_\_\_\_ is currently working as  
(Work) \_\_\_\_\_ in For Formal Economy (Name of Employer, Location/ Address)  
For Informal Economy - (Location/Address only) \_\_\_\_\_, earning  
(Amount) \_\_\_\_\_ per month.

Based on the assessment and validation conducted by the undersigned, the abovementioned income remains insufficient to meet the family's daily sustenance for Particulars and currently experiencing financial difficulties due to rising inflation.

Issued this \_\_\_\_\_ at \_\_\_\_\_.

**FULL NAME OF CERTIFYING OFFICER**

Designation

(For Social Worker:

Kindly Indicate the license Number)