



**Republic of the Philippines
DEPARTMENT of MIGRANT WORKERS
DEPARTMENT OF BUDGET AND MANAGEMENT
BUREAU OF THE TREASURY**

JOINT CIRCULAR NO. 2024 - 1

DATE: DEC 12, 2024

TO : OFFICIALS OF THE DEPARTMENT OF MIGRANT WORKERS,
DEPARTMENT OF BUDGET AND MANAGEMENT, BUREAU
OF THE TREASURY, AND ALL OTHERS CONCERNED


SUBJECT : GUIDELINES ON THE USE OF VERIFICATION FEE FUND
AND SCHEDULE OF VERIFICATION FEES FOR FISCAL
YEAR (FY) 2024 AND YEARS THEREAFTER

1.0 BACKGROUND

Section 7 of Executive Order (EO) No. 1022, issued by former President Ferdinand E. Marcos on 1 May 1985, authorized the Ministry of Labor and Employment (MOLE) and its designated representatives in Philippine foreign missions to collect a service fee for the verification of overseas employment contracts, recruitment agreement or special powers of attorney and the setting aside of a special fund from the collection of these fees to be used exclusively for the promotion of overseas employment and for welfare services to Filipino workers within the area of jurisdiction of said foreign missions under the administration of MOLE.

For this purpose, Joint Circular (JC) No. 3-87 or the Guidelines in the Implementation of the Provisions of EO No. 1022 dated 01 October 1987 was jointly issued by the Department of Labor and Employment (DOLE), Department of Budget and Management (DBM), Department of Finance (DOF), Department of Foreign Affairs (DFA), and the Commission on Audit (COA). It was amended through the issuance of JC No. 3-99 or the Revised Guidelines in the Implementation of EO No. 1022, Strengthening the Administrative and Operational Capabilities of the Overseas Employment Program dated 28 September 1999.

Republic Act (RA) No. 11641 dated December 30, 2021, otherwise known as "Department of Migrant Workers (DMW) Act," mandates the consolidation and merger of agencies, like Philippine Overseas Labor Offices (POLOs), and be

 DEPARTMENT OF MIGRANT WORKERS

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constituted as DMW. Hence, the collection of verification fees will now be transferred to the DMW pursuant to Section 19 of the said law.

2.0 LEGAL BASIS

Special Provision No. 1 in the DMW Budget under RA No. 11975, entitled the "General Appropriations Act (GAA) for FY 2024" provides that in addition to the amounts appropriated for the Department, an amount sourced from collections of verification fees earned in foreign posts shall be recorded as income under Special Account Fund 104398. Said verification fees, collected as foreign currency earnings, may be retained as a working fund for the administrative and operational expenses of DMW's Foreign Service Offices, subject to the guidelines to be issued jointly by the DMW, DBM and Bureau of the Treasury (BTr). xxx

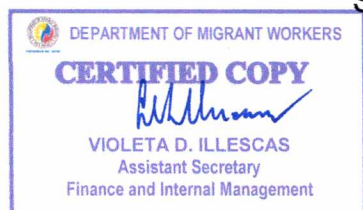
3.0 OBJECTIVE

This Circular is issued to amend DOLE/DFA/DBM/DOF/COA JC No. 3-99, prescribing the Revised Guidelines in the Implementation of EO No. 1022, Strengthening the Administrative and Operational Capabilities of the Overseas Employment Program and implementation of Special Provision No. 1 of DMW budget under the FY 2024 GAA and years thereafter taking into consideration the transfer of the Migrant Workers Office (MWO) functions from DOLE to the DMW pursuant to RA No. 11641.

4.0 DEFINITION OF TERMS

As used in this Circular, the following terms shall be understood in the context indicated hereunder:

- 4.1 **Administrative Staff** - the overseas staff member who assists the overseas labor officers in the verification of contracts and other employment and supporting documents, and in handling welfare, administrative, and financial concerns. They are actually occupying regular positions of Supervising Labor and Employment Officer, Senior Labor and Employment Officer, Labor and Employment Officer III, Labor and Employment Officer II, and Administrative Assistant III.
- 4.2 **Advice of Disbursement Limits (ADL)** – the document issued by the DMW Central Office to the Head or responsible officer of the MWO, advising them of the maximum amount that they may pay/disburse for a particular purpose.
- 4.3 **Attaché I** - the migrant workers officer who assists the Attaché II and handles employment, welfare and other concerns as may be instructed or delegated by the latter. The Attaché I may be designated by the DMW Secretary as Head of MWO in the absence of Attaché II.



- 4.4 Attaché II** - the migrant workers officer who is assigned as the Head of the MWO and has authority over all MWO personnel, and supervision and control in the operations and management of the MWO including the MWRC.
- 4.5 Bank Rate** – the rate of exchange used by the local banks in the posts in computing the local currency equivalent to US dollars.
- 4.6 Buffer Fund** – is an amount reserved or set aside equivalent to one quarter operating requirements of MWOs. A buffer fund can account for unforeseen financial requirements of MWOs or inevitable delays of fund remittance from DMW – Central Office which may be caused by several factors such as no available Notice of Cash Allocation (NCA), ongoing evaluation/approval of WFP as the basis of downloading operating funds, etc.
- 4.7 Cash Disbursement Ceiling (CDC)** - An authority issued by the DBM to departments with overseas operations e.g., DFA and DMW, to utilize their income collected/retained by their foreign service posts (FSPs) to cover its operating requirements but not to exceed the released allotment to the said post.
- 4.8 Collection Rate** – the fixed rate of exchange used by the Embassy/Consulate in computing the local currency equivalent to US dollars.
- 4.9 Contracted Worker** – refers to an OFW with an employment contract/offer of employment already processed by the DMW for overseas deployment, whether as an agency-hire, direct-hire or rehire.
- 4.10 Crew Complement** – number of Officers/workers and their positions in the shipping vessel.
- 4.11 Collecting Officer** – Labor Employment Officer/Administrative Assistant designated as Administrative Staff in the MWO assigned to collect Verification Fees which assignment should be duly supported by an Office Order.
- 4.12 Depository Bank** - primarily holds and safeguards assets or securities, acting as a custodian of depositors. Its role involves the safekeeping of securities, facilitating their transfer, and ensuring compliance with regulations.
- 4.13 Direct Hire** – refers to workers directly hired by employers for overseas employment as authorized by the Secretary and processed by the DMW, including:

4.13.1 Those hired by international organizations;

- 4.13.2 Those hired by members of the diplomatic corps; and
- 4.13.3 Name hires or workers who are able to secure overseas employment opportunities with employers without the assistance or participation of any agency.
- 4.14 **Employer** – refers to a person, partnership or corporation that directly signs an employment contract, employs and pays salaries and benefits of workers, as well as repatriates hired OFW.
- 4.15 **Employment Contract/Offer of Employment** – refers to the following:
- 4.15.1 **For land-based workers hired by private recruitment/employment agencies** – an individual written agreement between the foreign principal/ employer and the worker based on the master employment contract approved by the DMW;
- 4.15.2 **For seafarers** - the written standard Department-approved employment contract stipulating a specific period of employment and formulated through tripartite consultation, individually adopted and agreed upon by the principal/employer and the seafarer;
- 4.15.3 **For linked & in-between OFWs** - a written, sector-specific and Department -approved employment contract stipulating the standards for employment and the specific period of employment, individually adopted and agreed upon by the principal/employer and the worker; and
- 4.15.4 All other agreements entered into between the worker and the foreign principal/ employer, enumerating the terms and conditions of employment based on the minimum labor standards of the Philippine government and the host government.
- 4.16 **Excess Verification Fee Collections** – the residual collection of verification fee by the MWOs after deducting all authorized withdrawals from the Verification Fee Fund and other obligations not exceeding the ADLs issued during the year, plus an allowable working fund equivalent to the first quarter requirements of the MWOs for the ensuing year, for remittance to the BTr under the Special Account in the General Fund of DMW.
- 4.17 **Foreign Placement Agency or FPA** – refers to any single proprietor, partnership or corporation duly licensed in the host country to engage in the recruitment of foreign workers for placement with their clients.
- 4.18 **Inter-Post Fund Transfer** – the transfer of funds from one post to another through bank to bank facilities per written authority by the DMW Secretary or his duly authorized representative.

- 4.19 Job Order/ Manpower Request** – a document issued by a foreign employer or FPA to a Licensed Recruitment Agency indicating the job categories/ positions needed, number of workers to be hired per category/ position and their respective salaries and other fringe benefits.
- 4.20 Local Hires** – persons of any nationality hired by the MWOs in the host country to provide staff support on administrative and operations matters of the Post.
- 4.21 Manning Agency** – refers to a natural or juridical person duly licensed by the Secretary of the Department to engage in the recruitment and placement of seafarers and of interconnected OFWs.
- 4.22 Manning Agreement** – an agreement entered into by and between the principal and the manning agencies defining the responsibilities of both parties with respect to the employment of crew for their enrolled vessels.
- 4.23 Master Employment Contract** – refers to the model employment agreement which contains the terms and conditions of employment of each job category/ position as provided in the Job Order and submitted to the MWO for verification.
- 4.24 Migrant Workers Offices (MWOs)** – (formerly Philippine Overseas Labor Office) the overseas operating arm of the DMW in the implementation of Philippine labor policies and programs for the protection and promotion of the rights, welfare and interest of OFWs.
- 4.25 Migrant Workers Offices Operations Support Bureau (MWOOSB)** – absorbed the functions of the International Labor Affairs Bureau with regard to the operations of the Philippine Overseas Labor Offices and the Department of Social Welfare and Development with regard to the Office of the Social Welfare. It provides technical and administrative support to the Department through the Undersecretary for Foreign Employment and Welfare Services in the management and supervision of the MWO and the MWRC.
- 4.26 Migrant Workers Resource Center (MWRC)** – the migrant workers center established by the Department in countries where there is a large concentration of OFWs. It provides temporary shelter to distressed OFWs, counselling and legal services, gender-sensitive programs and activities, human resources development, such as training and skills upgrading, orientation program for returning workers and promotes social integration such as post-arrival orientation.
- 4.27 Overseas Filipino Worker (OFW)** – refers to a Filipino who is to be engaged, is engaged or has been engaged in remunerated activity in a country of which he or she is not an immigrant, citizen or permanent resident or is not awaiting naturalization, recognition or admission, whether land-based or sea-based regardless of status; excluding a

Filipino engaged under a government-recognized exchange visitor program for cultural and educational purposes. For purposes of this provision, a person engaged in remunerated activity covers a person who has been contracted for overseas employment but has yet to leave the Philippines, regardless of status, and includes "Overseas Contract Workers". The term "OFW" is synonymous with "Migrant Worker".

- 4.28 Philippine Recruitment Agency** - refers to a natural or juridical person duly licensed by the Secretary of the Department to engage in the recruitment and placement of land-based OFWs.
- 4.29 Principal** – refers to an employer or foreign placement agency hiring or engaging Filipino workers for overseas employment through a licensed private recruitment/ manning agency or through the government.
- 4.30 Recruitment Agreement** – an agreement by and between the principal and the Philippine Recruitment Agency defining their rights and obligations on the recruitment and employment of workers.
- 4.31 Servicing Bank** - is more involved in providing a range of administrative and operational services related to financial products. It manages and services financial transactions and accounts, handling tasks like payments, reporting, and managing the cash flow for clients.
- 4.32 Social Welfare Officer** - the overseas officer who manages cases of OFWs in distress and needing psychosocial services such as victims of human trafficking, illegal recruitment, physical, mental or sexual abuse, labor exploitation, violence, war, kidnapping, hostage-taking and other extraordinary circumstances.
- 4.33 Special Allotment Release Order (SARO)** - An obligational authority issued to identified agencies to incur obligations not exceeding a given amount during a specified period for the purpose indicated. It shall cover expenditures, the release of which is subject to compliance with specific laws or regulations and required documents/clearances.
- 4.34 Special Power of Attorney** – a document executed by a foreign employer or principal and a manning agency authorizing the latter to act for and on behalf of the former, which must be legally acknowledged before a notary public or other appropriate officer.
- 4.35 Standard Employment Contract** – refers to the DMW prescribed contract containing the minimum terms and conditions of employment.
- 4.36 Verification** – refers to the vetting process being conducted by the Attaché which includes, among others, the review of the contents of the employment contract and other labor related documents, ascertainment of the identity and track record of the employer, and the evaluation of the working and living condition in the job site, to ensure that the rights of OFWs are protected and their well-being is safeguarded.

4.37 Verification Fee – the fees collected at the MWOs on the employment contract and other labor-related documents.

4.38 Verification Fee Fund – refers to a fund, equivalent to ADL, retained as a working fund for the administrative and operational expenditures of MWOs, subject to the relevant budgeting, accounting, and auditing rules and regulations.

5.0 PURPOSE OF VERIFICATION FEES

The verification fees collected at the MWOs shall be used exclusively for the promotion of overseas employment and for welfare services to Filipino Workers within the area of jurisdiction of said Foreign Missions.

Primarily, said fees are intended to strengthen the administrative and operational capability of the MWOs/MWRCs. For this purpose, the same shall be used to pay its operating expenditures (e.g., service fees of local hires, rental expenses of MWO/ MWRC) Capital Outlay Requirements.

6.0 VERIFICATION OF OVERSEAS EMPLOYMENT DOCUMENTS

The Attaché II or the duly authorized MWO Officer or the deputized DFA Officer, in post where there are no DMW representatives, shall verify overseas employment documents presented by employer/principal/employment agency in the host country and/or their authorized representatives before the same can be authenticated by the DFA's authorized official in the post.

7.0 VERIFICATION COVERAGE, CONDUCT OF VERIFICATION AND SCHEDULE OF FEES

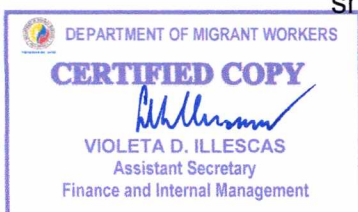
7.1 Verification Coverage

Verification shall cover the following documents relating to overseas employment such as:

- 7.1.1 Contract of Employment
- 7.1.2 Job Order
- 7.1.3 Recruitment Agreement/ Service Agreement (Land-based)
- 7.1.4 Master/Model Contract of Employment (if applicable)
- 7.1.5 Manning Agreement (Sea-based)
- 7.1.6 Special Power of Attorney
- 7.1.7 Crew Complement
- 7.1.8 Proof of Visa Availability (if necessary)
- 7.1.9 Other related documents as may be necessary

7.2 Conduct of Verification

The Attaché II/duly authorized MWO Officers or the deputized DFA Officer shall:



7.2.1 Be guided by the following criteria, among others, in the conduct of verification of overseas employment documents as well as by the results of on-site verification, if necessary:

1. legal personality of the employer/principal
2. financial capability of the employer/principal
3. viability of the project
4. consistency of the terms and conditions of employment with the DMW's Land-based and Sea-based Rules and Regulations
5. compliance with the laws of host country which are for the benefit of the Filipino workers

7.2.2 Sign at the bottom left of the employment document if found in order, as follows:

VERIFIED BY:

PRINTED NAME AND SIGNATURE OF ATTACHE II/
DULY AUTHORIZED MWO OFFICER/
DEPUTIZED DFA OFFICER

DATE

Note: The above text may be placed in the documents using the rubber stamp.

7.2.3 Post the data gathered in the conduct of verification namely, the employer's address/ID/agency, license, its validity, number of JOs verified, among others, to the Employer/Principal's Index Profile (DMW Form VF-01) for monitoring/reference purposes. Generally, the above gathered data may be used for verification of other similar documents relating to the same Employer/Principal within one year, on a case-to-case basis.

7.2.4 Forward the verified employment documents to the Embassy/Consulate Official for authentication.

7.2.5 Upon presentation of the overseas employment documents, the authorized Collecting Officer shall assess and collect from the employer/principal or his duly authorized representative, the verification fees as detailed below under Section 7.3 and 8.1 of this Guidelines.

7.2.6 Release the Verified Employment Contract and other documents to the employer/principal or his duly authorized representative.

7.3 Schedule of Fees

7.3.1 Pursuant to Section 36 of RA No 8042 otherwise known as the Migrant Workers and Overseas Filipinos Act of 1995, "all fees being charged by any government office on migrant workers shall remain at their present levels".

7.3.2 The employment contract and labor-related documents and the corresponding fees for their verification are as follows:

Particulars	Amount of Verification Fees in USD
A. For Land-based	
1. To be paid by the contracted worker for Individual Employment Contract	
• Those who have no Personal Data Sheet/DMW record	10.00
• Those who transferred employment onsite	
• Third Country Hiring	
2. To be paid by the employer/Foreign Placement Agency	
• Individual Employment Contract (Domestic Workers, Cleaners and Other Vulnerable Groups)	40.00
• Job Order	40.00
• Recruitment Agreement	40.00
• Master Employment Contract	40.00
B. For Sea-based	
To be paid by Manning Agency	
• Manning Agreement	40.00
• Special Power of Attorney	40.00
• Crew Complement	40.00

7.3.3 The aforementioned verification fees and mode of collection for MWOs in Taiwan shall be covered by the Memorandum of Agreement to be entered into by and between the DMW and the Manila Economic Cultural Office (MECO).

7.3.4 The Collecting Officer shall adopt the collection rate of the Philippine Embassy/Consulate as authorized by the Department of Foreign Affairs in converting the US Dollars Verification Fee to local currency.

7.3.5 The Secretary of Migrant Workers may, in the interest of the service, issue a Department Order adjusting the verification fees for manning and foreign placement agencies, subject to existing laws, rules and regulations, and inflation rate.

8.0 MWOs' PROCEDURES ON COLLECTIONS, REPORTING, UTILIZATION AND DEPOSIT OF VERIFICATION FEES

8.1 Collection of Verification Fees

- 8.1.1 The collection of Verification Fee shall be the responsibility of the head of MWO. All verification fee collections shall be deposited intact daily or not later than the following banking day, preferably in a savings account in the same depository bank of the DFA, under the name of the Philippine Embassy/Consulate – DMW Verification Fee Account.
- 8.1.2 In case it is not practicable to make daily deposits, the MWO may request exemption from the DMW Secretary.
- 8.1.3 The authorized signatories to the DMW bank accounts shall be the Attaché II and Attaché I/ Social Welfare Officer/ Administrative Staff, as may be designated by the DMW Secretary.
- 8.1.4 The above-mentioned officers, being accountable officers shall apply through the Administrative Service for Fidelity Bond at the BTr in accordance with Treasury Circular No. 02-2019 dated April 25, 2019 and Treasury Circular No. 1-2021 dated January 14, 2021 (Amendment of Section 7.1 of Treasury Circular No. 02-2009 dated August 6, 2009, Regarding Procedure for Application).
- 8.1.5 All Verification Fee collections shall be covered by pre-numbered DMW Official Receipts (ORs) which shall be properly filled up with, among others, the date, the name of the payor, the actual currency collected. The amount in words shall be written at the bottom of the ORs which shall be the actual currency received.
- All ORs issued shall be machine-validated whenever possible.
- 8.1.6 The distribution of ORs shall be as follows:
- Original (White) - to the Payor
 - Duplicate (Blue) - to the Accounting Division-Finance Service
 - TriPLICATE (Green) - to be retained as MWO file copy
- 8.1.7 In case the payor pays directly to the bank or thru online facility, the issuance of OR by the designated Collecting Officer is not required. Hence, COA Circular 2021-014, Section 5.2 prescribing the guidelines for electronic collections shall be followed by MWOs.

- 8.1.8 In case the OR is cancelled, the original (white) and the duplicate (blue) copies shall be submitted to the FS including the justification for its cancellation.
- 8.1.9 Collection shall be recorded in a separate Cash Receipts Journal (CRJ), which shall contain, among others, the total collection during the day, giving reference to the inclusive number of ORs issued and the actual amount deposited intact to MWO's depository bank account.

8.2 Reporting of Collections and Deposits

- 8.2.1 At the close of the business day, the designated Collection Officer shall prepare the Report of Collections and Deposits (RCD) (Appendix 26, GAM for NGAs, Volume II). The report lists all the ORs issued in numerical sequence, including cancelled ones.
- 8.2.2 The RCD shall be supported by documentary evidence such as duplicate copies of ORs and validated deposit slips.
- 8.2.3 The collections shall be recorded chronologically in the Cash Receipts Register (CRReg) (Appendix 27, GAM for NGAs, Volume II).
- 8.2.4 The MWO posts shall submit the monthly RCD to the DMW-CO through the AD-FS within five (5) working days after the end of the reporting month with the following documents:
- CRReg duly supported by duplicate ORs, validated deposit slips, and/or original and duplicate copies of cancelled ORs, certified correct by the Head of MWOs;
 - Cash in Bank Register;
 - Monthly Report of Accountability for Accountable Forms;
 - Bank Statement of the Verification Fee Fund; and
 - Bank Reconciliation Statement
- 8.2.5 The DMW-CO shall submit the consolidated monthly RCD to BTr for the recording of the Constructive Receipt of Subsidy Income in the BTr National Government (NG) books.

8.3 Retention of Verification Fee Collections

Verification fees, collected as foreign currency earnings, may be retained as a working fund. Provided, that the total amount of income retained as a working fund and the subsequent allotments to be released for the operating requirements of MWOs shall not exceed the amount of appropriations authorized for verification of overseas employment documents.

The MWO shall retain and maintain the verification fee collections duly deposited in their VF depository account until the receipt of their respective ADL which authorizes them to utilize portion of VF collections to support the administrative and operational expenditures.

Moreover, a buffer fund equivalent to one quarter of operating requirements of the MWO for the ensuing year shall be retained.

8.4 Utilization of Verification Fee Fund for MWOs Operating Expenditures

- 8.4.1 The MWOs thru the MWOOSB shall submit a duly approved Annual Work and Financial Plan (WFP) on or before December 15 preceding the budget year. The WFP shall reflect the full year operating requirements which shall include fixed/mandatory expenses such as office rental, utilities, communications, and insurances as well as maintenance and operating expenses such as service fees for local hires, supplies, repairs & maintenance, and other operating expenses and shall serve as the basis for the issuance of Advice on Disbursement Limits (ADL) to cover expenses chargeable from verification fee collections
- 8.4.2 An amount equivalent to the respective ADL of MWO shall be withdrawn/transferred from the verification fee depository bank and shall be deposited to the MWO servicing bank to cover operating expenditures. Said amount shall constitute operating fund of MWOs and disbursement therefrom shall be through the issuance of checks.
- 8.4.3 All expenses paid shall be covered by Disbursement Vouchers (DVs) duly supported by the required documents and approved by the Attache II or designated Head of MWOs.
- 8.4.4 The Attache II or Head of MWOs shall submit the Monthly Report of Checks Issued to account the expenses charged under verification fee fund, duly supported by the required documents.

8.5 Inter-Post Fund Transfer

The MWO may be authorized, upon approval of the Secretary, to transfer cash from verification fee collections, through bank transfers to any MWO that has been determined to have no collection or has an insufficient collection to cover its respective authorized disbursement limit.

8.5.1. Upon receipt of the authority to transfer funds, the MWO shall withdraw from the verification fee depository account and transfer to the servicing account of the concerned MWO.

8.5.2. Submit to the AD-FS the copy of validated Bank Transfer.

8.6 Deposit of Excess Verification Fee Collections to the BTr

8.6.1 The MWO shall remit to the designated BTr Foreign Currency Dollar Account for the DMW – Verification Fee Fund with Account maintained with the Landbank of the Philippines, under Special Account in the General Fund, the excess Verification Fee collections including interests earned, after deducting all authorized withdrawals and other obligations not exceeding the ADLs issued during the year including the allowable buffer fund equivalent to the first quarter requirements of the MWOs for the ensuing year, within ten (10) days after the end of the year or whenever ordered by the Secretary.

8.6.2 The MWO shall submit to the DMW-CO the copy of the remittance made to the BTr including other supporting documents for recording purposes.

9.0 BUDGETING AND ACCOUNTING PROCEDURES AT THE DMW – CENTRAL OFFICE

9.1 Budgeting Procedures

9.1.1 Special Allotment Release Order (SARO) and Cash Disbursement Ceiling (CDC)

9.1.1.1. The DMW shall submit a Special Budget Request to the DBM supported by the following:

A. SARO under the Special Account in the General Fund (SAGF)

1. Special Budget Request (SBR);
2. Budget Execution Document (BED) No. 1 - Financial Plan;
3. BED No. 2 - Physical Plan;
4. BED No. 3 - Monthly Disbursement Program (MDP);
5. Certification on the available balance of SAGF/
Certification of receipt or deposits from the BTr;
and
6. Other documents as may be determined by DBM.

B. CDC

1. SBR;
2. Accountability reports as consolidated by the DFA or DMW Home Office i.e., FSP Monthly Report of Income;
3. BTr Journal Entry Voucher recognizing the constructive receipt of the collections;
4. Certified list of allotments and corresponding obligations incurred for the specific funds against which the disbursements shall be applied; and
5. Other documents as may be determined by DBM.

9.1.1.2. Upon evaluation of the SBR, the DBM shall issue the SARO and CDC to DMW, accordingly.

9.1.2. Issuance of Advice of Disbursement Limits

- 9.1.2.1. Subject to the issuance of SARO by the DBM and WFP of the MWOs which were jointly reviewed by the MWOOSB and the FS and approved by the Undersecretary of Foreign Employment and Welfare (UFEWS), the ADLs shall be released by the DMW-Central Office to MWOs for purposes mentioned in Section 4.38.
- 9.1.2.2. An object of expenditure within the same allotment class under the VFF may be modified upon the approval of the DMW Secretary, consistent with the General Provision on the Rule on Modification in the Allotment under the annual General Appropriation Act.

9.2 Accounting Procedures

9.2.1 Accounting for Collections and Deposits

- 9.2.1.1. The verification fee collections of MWOs shall be recorded in the DMW-Central Office books as Verification and Authentication Fee income under the Special Account in the General Fund.
- 9.2.1.2. The recording of collections shall be in actual currency received, the US Dollar and the Philippine Peso equivalent, using the exchange rate at the end of the month.

- 9.2.1.3. Within five (5) days upon receipt of advice thru a memorandum from the DMW Secretary, the Attache II or the Head of the MWO shall remit the excess verification fee collections in US Dollars through bank transfer to the designated BTr Foreign Currency Dollar Account for the DMW-Verification Fee Fund maintained with the Land Bank of the Philippines. The remittance *will be treated as a collection under the Special Account* in the General Fund of the DMW.
- 9.2.1.4. The AD-FS, upon receipt of proof of remittance of the concerned MWO of the excess Verification Fee Fund, shall record in the DMW-CO books the deposit. The remittance will be treated as a collection under the Special Account in the General Fund of DMW.
- 9.2.1.5. The BTr upon receipt of the monthly bank statement from LBP, shall record the remittances of the excess verification fee in the National Government (NG) books in peso value using the corresponding Bangko Sentral ng Pilipinas exchange rate at the date of receipt of funds.
- 9.2.1.6. The BTr upon receipt of as request from DMW shall issue a *Certification of Remittance with peso equivalent* value and rate at the date of receipt of funds as the basis of DMW to record the funds on their book of accounts.
- 9.2.1.7. The DMW shall issue written confirmation to acknowledge the receipt of remittances of the MWOs.

9.2.2 Accounting of Inter-Post Fund Transfer

- 9.2.2.1. The inter-post fund transfer shall be recorded as Cash In-Bank by the FS viz, debit to the bank account of the receiving post and credit to the bank account of the issuing post, based on the following documents:
- a. Approved Request for Fund Transfer
 - b. Copy of the validated Bank Transfer;
 - c. *Confirmation/Acknowledgement* from the requesting/receiving post;

9.2.3. Accounting for the Receipt of SARO

- 9.2.3.1. Upon receipt of the approved SARO, the AD-FS shall record the constructive receipt of Subsidy Income.
- 9.2.3.2. Balances of unobligated allotment (ADL) at end of the year, shall be recorded or taken up as a Retained Earnings Account.

9.2.4. Accounting for Expenses Charged Against VF

- 9.2.4.1. Based on the Monthly Report of Checks Issued (RCI) submitted by the MWOs, the FS shall record in the Special Journal the expenses paid that were covered by the ADL.
- 9.2.4.2. Expenses of MWOs found to be illegal, irregular, unnecessary, excessive, extravagant, unconscionable and/or unauthorized may be disallowed, without prejudice to imposing necessary measures such as refund and/or administrative and other sanctions in accordance with existing government budgeting, accounting, and auditing laws, rules and regulations to the concerned MWO personnel.

9.2.5. Accounting for Interest Income and Bank Charges

- 9.2.5.1. Any interest earned on bank deposits shall be recorded in the CRReg as interest income.
- 9.2.5.2. Bank charges incurred in the remittance of excess verification fees shall be charged against the verification fee collections and recorded in the books.

9.2.6. Accounting for the Difference between Collection and Bank Rates

Any gain/loss between the collection and bank exchange rates shall accrue to the Verification Fee Fund.

10.0 ADMINISTRATION OF VERIFICATION FEE FUND

10.1 MWOOSB Responsibilities

The DMW Verification Fee Fund shall be administered by the Office of the Secretary, which shall:

- a. Oversee the management and operations of the Fund
- b. Ensure the prompt release of the Advice of Disbursement Limits to MWOs to support its continuous operations
- c. Provide reports to the DMW Secretary on the Status of Fund
- d. Coordinate with oversight agencies such as DBM, BTr and COA for the efficient and effective implementation of this Circular
- e. Ensure the timely submission of financial reports to the DBM, COA and BTr
- f. Perform such other related functions.



10.2 Audit

A regular and/or special audit on the collection and disbursement of Verification Fee Fund shall be conducted by the DMW Central Office, which may be done in collaboration with other government agencies to ensure, among others, that adequate internal control measures are in place, the cost of which shall be chargeable to the aforementioned Fund.

11. SANCTIONS

Non-submission of required financial reports will subject the erring officers to sanctions pursuant to pertinent laws and regulations.


12. REPEALING CLAUSE

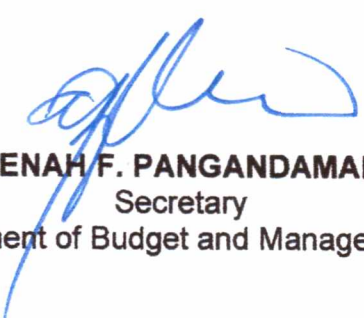
The provisions of any Circular Order and other issuances inconsistent with this Circular are hereby rescinded, repealed and/or modified accordingly.


13. EFFECTIVITY

This Circular shall take effect immediately.

Approved:


HANS LEO J. CACDAC
Secretary
Department of Migrant Workers


AMENAH F. PANGANDAMAN
Secretary
Department of Budget and Management


SHARON P. ALMANZA
Treasurer of the Philippines
Bureau of the Treasury