



*Republic of the Philippines*  
**NATIONAL DISASTER COORDINATING COUNCIL**  
*Department of National Defense*  
*Camp Gen. Emilio Aguinaldo, Quezon City*

NDCC Memorandum Order  
Number 03  
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**MAR 04 1998**

**TO : NDCC Members**  
**Chairmen, RDCCs and Local DCCs**

**SUBJECT : Policies and Procedures on Calamity Fund Releases**

1. **REFERENCES:** NDCC Memo Order Nos. 2, s-1989, NDCC MC No. 94-056, s-1994, NDCC MC No. 95-03, s-1995, NDCC MC No. 96-05, s-1996; Sec. 1 of RA 8185, s-1996 and its IRR, and the Calamity Fund Provision of the Annual General Appropriations Act.
2. **POLICIES:**
  - a. The National Calamity Fund (NCF) appropriated under the Annual General Appropriations Act (GAA) shall be used for relief, rehabilitation, reconstruction and other works or services in connection with calamities which may occur during the budget year or those that occurred in prior years, including pre-disaster activities.
  - b. For specific calamities covered by special laws, support or assistance out of the NCF cannot be drawn until the appropriations in said special laws have been fully expended.
  - c. Quick Response Fund (QRF) drawn from the NCF shall be released to the specified agency at the beginning of the budget year as stand-by funds for repair and reconstruction of permanent structures damaged by the calamity.
  - d. Other national government agencies may be allocated their own QRF on the need-basis upon the recommendation of the NDCC. The QRF shall be used exclusively as stand-by fund to be utilized in connection with calamities occurring during the year and primarily for relief and rehabilitation of calamity-affected communities/areas to normalize as quickly as possible the situation and living conditions of the people in such communities/areas.
  - e. Agencies with QRF shall not pre-allocate the same to their subordinate agencies and shall report to the NDCC the status of the utilization of such fund on a quarterly basis, copy furnished the DBM.



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- f. In the release of the National Calamity Fund, priority shall be given to emergency relief operations, medical assistance, immediate repairs of vital infrastructures damaged by disasters, and disaster mitigation measures.
- g. Requests for Calamity Fund may not be considered for restoration/reconstruction of damaged public buildings located in areas vulnerable to mudflow/lahar, storm surges, tsunamis or landslides and earthquakes.
- h. Availment by LGUs of national government assistance from the National Calamity Fund for the repair, rehabilitation or reconstruction of infrastructures damaged by calamities shall be governed by the "Bibingka Doctrine" which enunciates the putting up of a local counterpart fund by provinces, cities and municipalities belonging to the first, second, third and fourth class income categories. This should form part of the LGU request, together with other pledges/commitment of funding support for the project, if any. Percentage rates of local counterpart funds shall be as follows:

1 <sup>st</sup> Class	-----	50% of the total project cost
2 <sup>nd</sup> Class	-----	40% of the total project cost
3 <sup>rd</sup> Class	-----	35% of the total project cost
4 <sup>th</sup> Class	-----	30% of the total project cost

- i. Exempted from the requirement stated in para. h above are provinces, cities and municipalities that belong to the fifth and sixth class-income categories.
- j. The Local Calamity Fund (LCF) under Section 324 (d) of the Local Government Code of 1991 as amended by RA 8185 shall be utilized for relief reconstruction, rehabilitation and other works or services in connection with calamities which may occur during the budget year, provided that such fund shall be utilized only in the area or portion of the local government unit or other areas declared under a State of Calamity by the President/or local Sanggunian. In case of fire or conflagration, the local CF shall be utilized only for relief operation.

**3. PROCEDURES:**

**a. For National Calamity Fund (NCF) Releases**

- 1) Requests for NCF by concerned national government agencies to support their emergency relief and rehabilitation operations shall be submitted to NDCC for evaluation and recommendation to the Office of the President.

- 2) Requests for NCF for restoration of damaged infrastructures by LGUs shall be submitted to NDCC through the concerned RDCC for evaluation and prioritization. The request should be accompanied by the following documents, namely, report of damages with pictorials; work and financial plan; Sangunian Resolution containing the calamity area declaration, request for financial assistance, and the allocation of local counterpart fund; certification of availability of funds by the local treasurer, as well as funds already appropriated, if any. If funding support to the proposed project is committed by members of Congress or other donors such as local or foreign NGOs, or to be obtained through a loan program, a certification or pledge of commitment from the donor or pledgor or certification from the Local Chief Executive of the bank approval of the loan, as the case maybe, should also be attached to the NCF request.
  - 3) Request for NCF by department/agencies concerned to support their restoration/rehabilitation activities shall be submitted to NDCC through OCD, accompanied with a work program with cost estimates.
  - 4) The NDCC, through its Chairman, shall submit to the President, for approval, the recommendation for release of National Calamity Funds.
  - 5) Upon approval of the President, the DBM shall release the funds to the implementing agencies/local government units concerned based on the financial plan submitted, informing the Chairman, NDCC, of such releases.
  - 6) The implementing agencies/LGUs, upon the release of the funds, shall undertake the implementation of their respective work programs and submit periodic reports to DBM on their NCF utilization, copy furnished NDCC.
- b. For Local Calamity Fund (LCF) Releases (Sec. 6, IRR of RA 8185)**
- 1) In case of calamity and upon the recommendation of the Local Chief Executive based on the reports of the local DCC, the local Sanggunian shall immediately convene within 24 hours from the occurrence of the calamity and pass a Resolution declaring a state of calamity in the area/s of the LGU affected by the calamity and adopting measures to protect the lives and properties in the area.
  - 2) The Local Budget Officer shall release the allotment from the 5% Calamity Fund within 24 hours from the occurrence of the calamity provided the following requirements are present, namely, Approved Disbursement Vouchers; Sanggunian Resolution containing the calamity area declaration, and Local DCC reports on damages.

- 3) Pending the passage of the Sanggunian resolution on the calamity area declaration, the Local Chief Executive may already draw cash advances from the local General Fund which should not exceed 50% of the total Calamity Fund, subject to replacement after receipt of the above Sanggunian resolution.
- 4) The Local Treasurer shall prepare and submit a report on the utilization/disbursement of the LCF, duly approved by the LCE, to the local Sanggunian concerned, Commission on Audit and Local Development Council, copy furnished the LDCC (Sec. 5, (b.5), IRR of RA 8185).

#### **4. MONITORING OF NCF UTILIZATION**

- a. The NDCC, as the recommendatory body for release of National Calamity Funds, shall monitor the said Funds released to implementing government agencies and LGUs and prepare periodic reports for submission to the President.
- b. Agencies/LGUs concerned shall submit to NDCC through OCD, monthly reports on the utilization of NCF until completion of the project, using the NDCC prescribed format enclosed, duly certified correct by the head of the NGA/LGU and verified correct by the COA representative. The head of NGA/LGU shall be primarily responsible for submission of these reports.
- c. In the case of NCF-funded restoration/rehabilitation projects of LGUs, monitoring of NCF releases shall be through the RDCC Monitoring Teams organized pursuant to NDCC Memo Order No. 96-05, s-1996. For this purpose, the concerned RDCC shall be provided by the DBM with a copy of the Special Allotment Release Order (SARO) for said NCF and submit to NDCC a quarterly report every end of first month of succeeding quarters of status of project implementation by LGUs concerned.
- d. Submission of NCF utilization reports to NDCC shall continue until the completion of the NCF-assisted project. The report shall be used for evaluation and monitoring purposes and as a basis of the NDCC in determining the need to recommend further releases from National Calamity Fund. The NDCC shall submit a consolidated report on NCF utilization, to the Office of the President, copy furnished DBM.

#### **5. ACCOUNTING AND OTHER GUIDELINES**

- a. All local government units shall take up releases from the National Calamity Funds as trust liabilities/fund in their books of accounts. Moreover, heads of LGUs concerned shall acknowledge receipt of Notice of Funding Check (s) issued by DBM and the Credit Advice by the Government Servicing Bank (GSB) using the attached format.
- b. Requests for realignment of released NCF from one project to another of similar expense class within the same calamity area shall be submitted to NDCC for evaluation and approval, copy furnished DBM. Requests for realignment from one project to another of different class shall likewise be submitted to NDCC for

evaluation and appropriate recommendation to the Office of the President for approval.

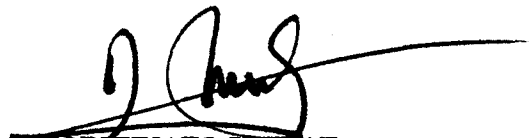
- c. Savings/unobligated for current operating expenditures of releases from the NCF NGAs, including those receiving QRF, shall be reverted to the Cumulative Results of Operation Unappropriated of the General fund at the end of the year. Capital Outlay releases from NCF shall be valid up to the end of the second year and any unobligated allotment under said capital Outlay at the end of the second year shall, likewise, be reverted to the Accumulative results of Operation Unappropriated of the General Fund. Notice of Cash Allocation (NCA) for Current Operating Expenditures (COE) and capital Outlays (CO) shall lapse at the end of the year. Any cash balance (Cash transferred to the agency's bank account) for COE at the end of the first year and for CO at the end of the second year shall be remitted to the National Treasury. Copies of the Journal Voucher (JV) taking up the revision and the Authorized Government Depository Bank (AGDB) deposit slip shall be submitted to Budget and Finance Service (BFS), DBM.
- d. Local government units shall be given one (1) year from receipt of funding check of the NCF to complete/finish the project/purpose for which the Fund was released. Any cash balance of the trust liabilities/fund shall be remitted to the National treasury for credit to the account of Budget and Finance Service, copy furnished DFS, DBM with the copy of Authorized Government Depository Bank (AGDB) deposit slip after the completion of the project/purpose or after one (1) year.

## 6. REPEALING CLAUSE

Any provision of existing Memorandum Orders or Circular inconsistent herewith is deemed rescinded or modified accordingly.

## 7. EFFECTIVITY CLAUSE

This Memorandum Order shall take effect upon approval.



**FORTUNATO U. ABAT**  
Secretary, DND  
and  
Chairman, NDCC