FDA Memorandum Circular
No. 2013-040

TO: ALL CONCERNED

SUBJECT: Guidelines for the Exercise by the FDA of its power to accept donations

Republic Act No. 9711 through its Implementing Rules and Regulations grants the Food and Drug Administration (FDA) the power to accept donations.

Particularly, paragraph X, Sec II of Article II of IRR of Republic Act No. 9711 provides that:

Sec. 2. General Powers and Functions. The FDA shall have the following functions, powers and duties:

x. To accept grants, donations and other endowments from local and external sources in accordance with pertinent laws, rules and regulations

Likewise, Sec 5 Article II of the same IRR provides that:

Sec. 5. Grants, Donations and All other Endowments to the SRF. The SRF shall be allowed to accept grants, donations and all other endowments from local and external sources in accordance with pertinent laws, rules and regulations.

In the exercise of the above-mentioned power, the following procedures provided in Section 6 and 7 of the General Provisions in the General Appropriations Act, FY 2013, as published in the Official Gazette, vol. 108, No. 1, page 1680 shall be followed:

1. Donations for a term not exceeding one (1) year
   a) Shall be classified as trust receipts;
   b) Shall be booked as trust liability account of the FDA;
   c) Shall be deposited in the National Treasury in accordance with E.O. No. 338 s. 1996, as implemented by COA-DBM-DOF Joint Circular No. 1-97 dated January 2, 1997 and pertinent guidelines, and subject to any conditions prescribed under the special provisions of the Department of Health and the FDA and to the rules and regulations as determined by the Permanent Committee;
   d) Disbursements shall be made in accordance with the purpose for which the fund is created; and
   e) Shall be subject to pertinent accounting and auditing rules and regulations.
2. Donations for a term exceeding one (1) year

   a) In case of donations from foreign governments, acceptance thereof shall be subject to the prior clearance and approval by the President of the Philippines upon recommendation of the Secretary of Foreign Affairs.
   b) Receipts of donations shall be accounted for in the books of the FDA in accordance with pertinent accounting and auditing rules and regulations.
   c) Such donations, whether in cash or in kind shall be deemed automatically appropriated for the purpose specified by the donor.
   d) The receipts from cash donations and proceeds from sale of donated commodities shall be deposited with the National Treasury and recorded as a special account in the General Fund and shall be available to the FDA through a Special Budget pursuant to Section 35, Chapter 5, Book VI of E.O. No. 292: PROVIDED, That donations for specific purpose with a term not exceeding one (1) year shall be treated as trust receipts;
   e) FDA shall submit, either in printed form or by way of electronic document, to the DBM, Senate Committee on Finance, House Committee on Appropriations, and COA a quarterly report of all donations received, whether in cash or in kind, and a quarterly report on expenditures or disbursements thereon.

3. Other requirements

   a) All donations must be covered by a “deed of donation.” A sample form of a deed of donation is attached hereto as Annex “A.”
   b) The deed of donation must specifically describe the property subject of the donation.
   c) All donations shall be coursed through the FDA Administrative and Finance Office.

   [Signature]

   KENNETH Y. HARTIGAN-GO, MD
   Acting Director-General
DEED OF DONATION

Know All Men by these Presents:

That the Food and Drug Administration is a government Office created under Republic Act No. 3720 as amended by Republic Act No. 9711, with postal address at Civic Drive, Filinvest Corporate City, Alabang, Muntinlupa City, represented herein by its Director General, hereinafter called the DONEE, witenesseth:

That the DONOR is the owner of ______________, more particularly described as follows:

(Insert description of property to be donated)

That FOR AND IN CONSIDERATION of ______________, and as a pure act of liberality, the DONOR hereby voluntarily GIVES, TRANSFERS, and CONVEYS by way of donation, unto the said DONEE, the above described property, [if applicable: together with all the improvements found thereon, free from all liens and encumbrances];

That the DONOR affirms that this donation is not made with intent to deceive his creditors, and that he has reserved for himself sufficient funds and property;

That the DONEE hereby accepts and receives this donation made in his favor by the DONOR, and hereby manifests his gratefulness for the latter's generosity.

IN WITNESS WHEREOF, both the DONOR & DONEE have hereunder subscribed their names this ___________ day of ___________________ 20__ at ________________________, Philippines.

_________________________  
DONOR

_________________________  
DONEE

WITNESSES:

_________________________  

ACKNOWLEDGEMENT

Republic of the Philippines)

_________________________ S.S

BEFORE ME, a notary for and in the City of Muntinlupa, personally appeared:

<table>
<thead>
<tr>
<th>Name</th>
<th>Valid ID Number</th>
<th>Date/Place Issued</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Donee)</td>
<td>000000000</td>
<td>June 28, 20__ / Makati City</td>
</tr>
</tbody>
</table>

known to me and to me known to be the same persons who executed the foregoing Deed of Donation and acknowledged to me that the same is their free and voluntary act and deed.

WITNESS MY HAND AND SEAL, on the date and place first above written.

Notary Public