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SENATE
S. No. 1675

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Introduced by Senator Miriam Defensor Santiago

EXPLANATORY NOTE

The Constitution, Article 2, Sections 27 and 28 provide:

SEC. 27. The State shall maintain honesty and integrity in the public service and take positive and effective measures against graft and corruption.

SEC. 28. Subject to reasonable conditions prescribed by law, the State adopts and implements a policy of full public disclosure of all its transactions involving public interest.

Further, the Constitution, Article 3, Section 7 states:

The right of the people to information on matters of public concern shall be recognized. Access to official records, and to documents and papers pertaining to official acts, transactions, or decisions, as well as to government research data used as basis for policy development, shall be afforded the citizen, subject to such limitations as may be provided by law.

The grant of Government Funding to entities or organizations should be a transparent process so that, taxpayers will have the ability to know exactly how their money is being spent and, with that greater transparency, will come greater accountability.

This bill seeks to statutorily establish and maintain a websites that contains information on all Government financial assistance and expenditures that include grants, contracts, sub-grants, subcontracts, loans, awards, cooperative agreements, purchase orders, task orders, delivery orders, and other forms of financial assistance accessible to our constituents.

This bill expands upon E-Government management tools by making all Government funding awards, grants, contracts and loans, easily searchable on a public Web site.

This new tool will be a valuable asset in the continuing effort to spend the taxpayers' dollars wisely, without waste and without misuse. ¹

Miriam Defensor Santiago
MIRIAM DEFENSOR SANTIAGO
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¹ This bill was originally filed in the Fourteenth Congress, Second Regular Session

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S. No. 1675

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1 AN ACT
2 REQUIRING FULL DISCLOSURE OF ALL ENTITIES AND ORGANIZATIONS
3 RECEIVING GOVERNMENT FUNDS.
4

5 *Be it enacted by the Senate and the House of Representatives of the Philippines in*
6 *Congress assembled:*
7

8 SECTION 1. *Short Title.* This Act may be known as the “*Government Funding,*
9 *Accountability and Transparency Act*”.

10 SECTION. 2. *Definitions.*

11 (a) ENTITY— Includes, whether for profit or nonprofit the following:

- 12 (1) a corporation;
- 13 (2) an association;
- 14 (3) a partnership;
- 15 (4) a limited liability company;
- 16 (5) a limited liability partnership;
- 17 (6) a sole proprietorship;
- 18 (7) any other legal business entity;
- 19 (8) any other grantee or contractor that is not excluded by Subparagraph

20 (B) or(C); and

21 (9) any Local Government Unit;

22 But does not include—

- 23 (1) an individual recipient of Government assistance; or
- 24 (2) a Government employee.
- 25 (3) a Government agency or instrumentality

26 (b) GOVERNMENT AWARD.— means Government financial assistance and
27 expenditures that include grants, contracts, sub-grants, subcontracts, loans, awards,
28 cooperative agreements, purchase orders, task orders, delivery orders, and other forms
29 of financial assistance;

30 (c) SEARCHABLE WEBSITE.—The term “searchable website” means a website that
31 allows the public to—

- 32 (1) search Government funding by any element
- 33 (2) ascertain through a single search the total amount of Government funding
34 awarded to an entity, by fiscal year; and
- 35 (3) download data required by this Act in the outcome from searches.

36 SECTION 3. *Full Disclosure of Entities Receiving Government Funding.* Not later than
37 January 1, 2012, the Department of Budget and Management (DBM) shall, in accordance with
38 Executive Order No. 21 dated April 25, 1936, shall ensure the existence and operation of a single
39 searchable website, accessible by the public at no cost to access, that includes for each
40 Government award—

- 41 (a) the name of the entity receiving the award;
- 42 (b) the amount of the award;
- 43 (c) information on the award including transaction type, funding agency,
44 program source, and an award title descriptive of the purpose of each funding
45 action;
- 46 (d) the location of the entity receiving the award and the primary location of
47 performance under the award, including the city, province, congressional
48 district, and country;
- 49 (e) a unique identifier of the entity receiving the award and of the parent entity of
50 the recipient, should the entity be owned by another entity; and
- 51 (f) any other relevant information specified by the Department of Budget and
52 Management.

53 SECTION 4. *Scope of Data.* The website shall include data for fiscal year 2008, and each
54 fiscal year thereafter.

55 SECTION 5. *Designation of Agencies.* The President may designate one or more
56 Government agencies to participate in the development, establishment, operation, and support of
57 the single website. In the initial designation, or in subsequent instructions and guidance, the
58 Secretary of the Department of Budget and Management (the Secretary) may specify the scope
59 of the responsibilities of each such agency.

60 SECTION 6. *Agency Responsibilities.* The Government agencies concerned shall
61 comply with the instructions and guidance issued by the Secretary as provided in Section 5 of
62 this Act, and shall provide appropriate assistance to the Department of Budget and Management
63 upon request, so as to assist it in ensuring the existence and operation of the single website.

64 SECTION 7. *Use of COA Data.* The website established under this section may use as
65 additional source of its data the Official website of the Commission on Audit, if all of these data
66 sources are searchable through the website and can be accessed in a single search.

67 The website shall not be considered in compliance if it merely hyperlinks to the official
68 website of the Commission on Audit, or other existing websites, but the information elements
69 required in Section 3 cannot be searched electronically by field in a single search.

70 The website shall provide an opportunity for the public to provide input about the utility
71 of the site and recommendations for improvements. It shall be updated not later than 30 days
72 after the grant of any Government award requiring a posting.

73 SECTION 8. *Pilot Program.* Not later than July 1, 2011, the Secretary shall commence a
74 pilot program to test the collection and accession of data about sub-grants and subcontracts; and
75 determine how to implement a sub-award reporting program, which includes the following:

76 (a) a reporting system under which the entity issuing a sub-grant or subcontract is
77 responsible for fulfilling the sub-award reporting requirement; and

78 (b) a mechanism for collecting and incorporating agency and public feedback on the
79 design and utility of the website.

80 The pilot program under this section shall terminate not later than January 1, 2012.

81 SECTION 9. *Reporting of Sub-awards.* Except as provided in Section 8 of this Act, but
82 not later than January 1, 2012, the Department of Budget and Management shall ensure the
83 following:

84 (a) that data regarding sub-awards are disclosed in the same manner as data
85 regarding other Government awards, as required by this Act; and

86 , (b) that the method for collecting and distributing data about sub-awards:

87 (1) minimizes burdens imposed on Government award recipients and sub-
88 award recipients;

89 (2) allows Government award recipients and sub-award recipients to
90 allocate reasonable costs for the collection and reporting of sub-award data as in
91 direct costs; and

92 (3) establishes cost-effective requirements for collecting sub-award data
93 under block grants, formula grants, and other types of assistance from the
94 National Government and local Government Units.

95 SECTION 10. *Construction.* Nothing in this Act shall prohibit the Department of Budget
96 and Management from including in the website access to data that is publicly available in any
97 other Government data base.

98 SECTION 11. *Reporting.* The Department of Budget and Management shall submit to the
99 Legislative Budget Research and Monitoring Office (LBRMO) of the Senate an annual report
100 regarding the implementation of the website established under this Act which shall contain the
101 following:

102 (a) data regarding the usage and public feedback on the utility of the site
103 including recommendations *for improving data quality and collection;*

104 (b) an assessment of the reporting burden placed on Government award and sub-
105 award recipients; and

106 (c) an explanation of any extension of the sub-award reporting deadline, if
107 applicable.

108 SECTION 12. *Publication.* The Department of Budget and Management shall make each
109 report submitted under the preceding paragraph publicly available on the website established
110 under this Act.

111 SECTION 13. *Classified Information.* Nothing in this Act shall require the disclosure of
112 classified information as may be defined by law.

113 SECTION 14. *Appropriations.* – To carry out the provisions of this Act, such amount as
114 hereby necessary is hereby authorized to be appropriated from the National Treasury.

115 SECTION 15. *Separability Clause.* – If any provision or part thereof, is held invalid or
116 unconstitutional, the remainder of the law or the provision not otherwise affected shall remain
117 valid and subsisting.

118 SECTION 16. *Repealing Clause.* – Any law, presidential decree or issuance, executive
119 order, letter of instruction, administrative order, rule or regulation contrary to, or inconsistent
120 with the provisions of this Act is hereby repealed, modified or amended accordingly.

121 SECTION 17. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after its
122 publication in at least two (2) newspapers of general circulation.

123 Approved.