

SIXTEENTH CONGRESS OF THE REPUBLIC )  
OF THE PHILIPPINES )  
First Regular Session )



SENIOR  
OFFICE OF THE SENATE

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SENATE  
S. No. 406

RECEIVED BY: *Jei*

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Introduced by Senator Miriam Defensor Santiago

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#### 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.

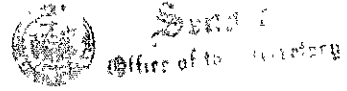
This bill expands upon E-Government management tools by making all government funding awards, grants, contracts and loans, easily searchable on a public website.

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

*CCR*  
*Miriam Defensor Santiago*  
MIRIAM DEFENSOR SANTIAGO

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<sup>1</sup> This bill was originally filed in the Fourteenth Congress, Second Regular Session.



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13 JUL -3 13:59

SENATE  
S. No. **406**

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Introduced by Senator Miriam Defensor Santiago

1 AN ACT  
2 REQUIRING FULL FINANCIAL DISCLOSURE FROM ALL ENTITIES AND  
3 ORGANIZATIONS RECEIVING GOVERNMENT FUNDS

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

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

6 SECTION. 2. *Definition of Terms.* –

7 (a) ENTITY– Includes, whether for profit or nonprofit the following:

- 8 (1) a corporation;
- 9 (2) an association;
- 10 (3) a partnership;
- 11 (4) a limited liability company;
- 12 (5) a limited liability partnership;
- 13 (6) a sole proprietorship;
- 14 (7) any other legal business entity;
- 15 (8) any other grantee or contractor that is not excluded by Subparagraph
- 16 (B) or(C); and
- 17 (9) any Local Government Unit;

18 But does not include---

- 19 (1) an individual recipient of Government assistance; or
- 20 (2) a Government employee.

1 (3) a Government agency or instrumentality

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

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

8 (1) search Government funding by any element

9 (2) ascertain through a single search the total amount of Government funding  
10 awarded to an entity, by fiscal year; and

11 (3) download data required by this Act in the outcome from searches.

12 SECTION 3. *Full Disclosure of Entities Receiving Government Funding.* – Not later than  
13 1 January 2014, the Department of Budget and Management (DBM) shall, in accordance with  
14 Executive Order No. 21 dated 25 April 1936, ensure the existence and operation of a single  
15 searchable website, accessible by the public at no cost to access, that includes for each  
16 Government award—

17 (a) the name of the entity receiving the award;

18 (b) the amount of the award;

19 (c) information on the award including transaction type, funding agency,  
20 program source, and an award title descriptive of the purpose of each funding  
21 action;

22 (d) the location of the entity receiving the award and the primary location of  
23 performance under the award, including the city, province, congressional  
24 district, and country;

25 (e) a unique identifier of the entity receiving the award and of the parent entity of  
26 the recipient, should the entity be owned by another entity; and

27 (f) any other relevant information specified by the Department of Budget and  
28 Management.

1           SECTION 4. *Scope of Data.* . The website shall include data for fiscal year 2014, and  
2 each fiscal year thereafter.

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

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

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

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

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

21           SECTION 8. *Pilot Program.* – Not later than 1 July 2014, the Secretary shall commence  
22 a pilot program to test the collection and accession of data about sub-grants and subcontracts;  
23 and determine how to implement a sub-award reporting program, which includes the following:

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

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

3 SECTION 9. *Reporting of Sub-awards.* – Except as provided in Section 8 of this Act, but  
4 not later than 1 January 2014, the Department of Budget and Management shall ensure the  
5 following:

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

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

9 (1) minimizes burdens imposed on Government award recipients and sub-  
10 award recipients;

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

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

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

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

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

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

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

5 SECTION 12. *Publication.* -- The Department of Budget and Management shall make  
6 each report submitted under the preceding paragraph publicly available on the website  
7 established under this Act.

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

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

12 SECTION 15. *Separability Clause.* -- If any provision or part hereof is held invalid or  
13 unconstitutional, the remainder of the law or the provision not otherwise affected shall remain  
14 valid and subsisting.

15 SECTION 16. *Repealing Clause.* -- Any law, presidential decree or issuance, executive  
16 order, letter of instruction, administrative order, rule or regulation contrary to, or inconsistent  
17 with the provisions of this Act is hereby repealed, modified or amended accordingly. <sup>1</sup>

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

Approved,