

No. 87/2008/TT-BTC

Hanoi, October 8, 2008

CIRCULAR

GUIDING THE MANAGEMENT AND USE OF CHILDREN RELIEF FUNDS

Pursuant to State Budget Law No. 01/2002/QH11 of December 16, 2002, and its guiding documents;

Pursuant to the Government's Decree No. 36/2005/ND-CP of March 17, 2005, detailing the implementation of a number of articles of the Law on Child Protection, Care and Education;

Pursuant to the Government's Decree No. 77/ 2003/ND-CP of July 1, 2003, defining the functions, tasks, powers and organizational structure of the Ministry of Finance;

The Ministry of Finance guides the management and use of Children Relief Funds as follows:

I. GENERAL PROVISIONS

1. Children Relief Funds are public non-business units established at central and provincial levels and managed by the Ministry of Labor, War Invalids and Social Affairs (with regard to the National Fund for Vietnamese Children) or provincial-level Services of Labor, War Invalids and Social Affairs (with regard to provincial/municipal Children Relief Funds) under the Government's Decree No. 186/2007/ND-CP of December 25, 2007, defining the functions, tasks, powers and organizational structure of the Ministry of Labor, War Invalids and Social Affairs, and Decree No. 13/2008/ND-CP of February 4, 2008, stipulating the organization of specialized agencies under provincial/municipal People's Committees.

2. Children Relief Funds are set up to mobilize voluntary contributions of domestic and foreign agencies, organizations and individuals, international aid as well as state budget supports for the cause of child protection, care and education.

3. Persons entitled to supports from Children Relief Funds:

- Children in exceptionally difficult circumstances, including orphans without anyone to rely on: abandoned children: disabled children; children victims of toxic chemicals; HIV/AIDS- infected children: children doing heavy or dangerous jobs or exposed to hazardous substances; children working far away from their families; street children; sexually abused children; juvenile drug addicts, and juvenile law offenders;

- Children infected with serious or dangerous diseases requiring high treatment costs; injured children;

- Children in mountainous, deep-lying or remote regions, former revolutionary bases, and natural disaster- or epidemic-hit areas:

- Children of poor families who surmount difficulties and record good academic achievements at schools;

- Children specifically designated by donors;

- Other children in accordance with the funds' principles and purposes.

4. Children Relief Funds are public non- business units which operate in the social domain; have the legal person status and their own seals; are permitted to open their accounts at banks or state treasuries for transactions and organize their accountancy apparatus in accordance with the Accountancy Law. Their year-end balances, including regular state budgeted funding (if any), can be transferred to subsequent years for further use.

5. The Funds* idle money (excluding state budget supports) may be deposited as savings or used to purchase government bonds for fund preservation and growth in service of the Funds' operation.

6. Children Relief Funds shall publicize their mobilization, management and use and report on the implementation of financial publicity as provided for in the Prime Minister's Decision No. 192/2004/QĐ-TTg of November 16, 2004, promulgating the Regulation on financial publicity, applicable to state budgets at all levels, budget-estimating units, organizations enjoying state budget supports, capital construction projects funded by state budget support capital, state enterprises, funds originating from the state budget and funds originating from people's contributions as well as guiding documents of the Ministry of Finance. The fund mobilization, management and use must comply with the set purposes and ensure efficiency under current financial management regulations of the State and the provisions of this Circular.

II. SPECIFIC PROVISIONS

1. Sources of revenues of Children Relief Funds:

- Voluntary contributions, lawful donations in cash or kind, valuable papers, property rights and other assets of domestic and foreign organizations or individuals in the form of supports, contractual donation or presentation of assets, bequeathers' testaments or other forms, which are donated to the funds in accordance with law.
- Aid received for specified purposes and addresses for use under the authorization of donors.
- State budget allocations, including:
 - + Funding for the performance of tasks assigned by state agencies;
 - + Funding in support of regular expenditures according to expenditure norms for administrative management for staff members assigned by competent authorities to manage the funds
 - + Funding for the provision of public services, implementation of scientific researches, national target programs, projects and schemes ordered by the State (if any).

+ Domestic funding for foreign-funded projects (if any).

- Revenues from deposit interests or government bond interests (if any).

- Other lawful revenues (if any).

2. Children Relief Funds" spending contents:

2.1. Spending in support of children in exceptionally difficult circumstances from contribution and aid sources, including:

- Supports for functional rehabilitation of deformed children such as eye surgery, hare lip operation, deformed leg operation, heart surgery,...

- Supports for medical examination and treatment, travel and meals of children suffering serious or dangerous diseases, injuries in accidents, which require high hospitalization costs;

Funding supports for vocational training: tuitions, meals, textbooks and learning aids for children in exceptionally difficult circumstances who wish to attend vocational training.

- Supports in tuition, textbooks and learning aids for children of poor families, children of war invalids or martyrs, children of families with meritorious services to the revolution, who surmount difficulties and record high academic achievements.

- Supports for the construction, repair, upgrading of preschool institutions, functional rehabilitation centers, entertainment and recreation spots for children in particularly difficult communes in mountainous, deep-lying, remote regions, ethnic minority areas and former revolutionary bases.

- Supports for organization of children's festive days such as International Children Day June 1, mid-autumn festival, gatherings of children in difficult circumstances who surmount difficulties in daily life and study.

- Irregular supports for children in areas hit by natural disasters or epidemics.

- Supports for poor children studying at charity courses organized by organizations or individuals.
- Supports for poor children facing other risks and accidents.
- Supports for children designated by donors.
- Supports for other children in accordance with the Funds' principles and purposes.

The contents and specific levels of expenditure for the above-mentioned supports, which are decided by heads of Labor, War Invalids and Social Affairs agencies at the proposal of directors of Children Relief Funds of the same level, must suit the practical situation and the Funds' capability. For support amounts agreed upon or concluded in writing between the Children Relief Funds and donors with regard to the spending contents and levels, such agreements or concluded documents will apply.

2.2. Expenditures for management of Children Relief Funds:

a/ A fund may deduct 10% at most of its total annual revenue (excluding those spent for supports with designated addresses, assistance in kind and state budget supports) for fund management. Based on annual revenues, the Minister of Labor, War Invalids and Social Affairs (for the National Fund for Vietnamese Children) and directors of provincial-level Services of Labor, War Invalids and Social Affairs (for provincial/municipal Children Relief Funds) shall decide on levels of expenditure for fund management, suitable to the situation of fund operation.

b/ Contents and levels of fund management expenditures:

- Regular and irregular expenditures comply with current regulations on spending contents applicable to public non-business units.
- Expenditures on particular operations of the Funds, including:
 - + Expenditures on public information for mobilization of donations.
 - + Expenditures on activities related to the receipt, transportation and distribution of donated money and commodities to beneficiaries (storehouse and yard rents;

expenses for packaging and transportation of goods; money transfer expenses, other expenses);

+ Expenditures on survey, project formulation and examination, monitoring as well as evaluation of the implementation of support programs and projects for children.

+ Expenditures on commendation of and rewards to units, organizations and individuals recording achievements in the mobilization of financial assistance and support for the operation of Children Relief Funds.

+ Other peculiar expenditures related to Funds' operations.

The spending levels comply with current regulations and norms set by the State for public non-business units and the Regulation on internal expenditures of Children Relief Funds

c/ Children Relief Funds may apply financial autonomy mechanisms with regard to their management funding according to current regulations on financial regimes applicable to public non-business units.

2.3. Expeditions on scientific researches, national target programs, projects and schemes ordered by the State: domestic capital for foreign-funded projects comply with current regulations of the State.

3. Estimation, accounting and settlement of fund revenues, expenditures and management:

The estimation, accounting and settlement of revenues and expenditures of Children Relief Funds comply with the State Budget Law, the Accountancy Law and their guiding documents. This Circular additionally guides a number of specific points as follows:

a/ Estimation:

Annually, based on their functions and tasks assigned by competent authorities; tasks under their annual plans; current financial expenditure regimes, and the situation of financial revenues and expenditures of the preceding year, Children

Relief Funds shall estimate their revenues and expenditures according to current regulations on financial regimes applicable to public non-business units, then send them to Labor, War Invalids and Social Affairs agencies for consideration and sum-up before sending them finance agencies of the same level for submission to competent authorities for approval.

b/ Accounting and settlement:

Children Relief Funds shall organize and conduct accounting and statistical work according to accounting and statistics laws, keep records of all agencies, organizations and individuals that make contributions or provide aid. and the names and addresses of beneficiaries assisted by Children Relief Funds:

- The accounting and settlement of funding of Children Relief Funds comply with current non business and administrative accounting regimes. It is strictly forbidden to leave outside accounting records any revenue or expenditure amounts, assets, money, debts or any contributions of units, organizations or individuals.

- For aid sources: To monitor, account and settle them in strict accordance with current state regulations on reception, management and use of aid sources.

- For a number of support activities of Children Relief Funds assigned to other agencies or organizations for performance under contracts signed with Children Relief Funds, documents serving as bases for accounting and settlement will be kept at Children Relief Funds, including task performance contracts (enclosed with detailed expenditure estimates approved by Children Relief Funds), records on work handover, written records of contract liquidation, spending orders or bills and other relevant documents. Specific expenditure documents will be kept by agencies or organizations directly conducting support activities according to current regulations.

- Quarterly and annually, Children Relief Funds shall make financial reports and settle fund revenues and expenditures for report to their sponsoring Councils and Labor War Invalids and Social Affairs agencies of the same level.

c/ Fund management:

- Children Relief Funds shall publicize all revenues and expenditures and strictly comply with the financial and accounting supplying necessary information for the management and administration of fund revenues and expenditures.
- Periodically and extraordinarily, Labor, War Invalids and Social Affairs agencies shall inspect the management and use of financial sources of the Funds. Directors of Children Relief Funds are answerable to heads of Labor, War Invalids and Social Affairs agencies and their sponsoring Councils for all revenues and expenditures of the funds.
- Labor, War Invalids and Social Affairs agencies shall examine and approve the settlement of all sources of operation funding of Children Relief Funds according to current state regulations and synthesize them into settlement reports for final settlement with finance agencies of the same level.

III. IMPLEMENTATION PROVISIONS

This Circular takes effect 15 days after its publication in "CONG BAO" and replaces the Finance Ministry's Circular No. 112/2004/TT-BTC of November 24, 2004, guiding the management and use of the National Fund for Vietnamese Children.

Problems arising in the course of implementation should be promptly reported to the Ministry of Finance for study and solution.

**FOR THE MINISTER OF FINANCE
VICE MINISTER**

Pham Sy Danh