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**IMPLEMENTING GUIDELINES ON THE DIRECT RELEASE OF MAINTENANCE
AND OTHER OPERATING EXPENSES (MOOE) ALLOCATIONS OF SCHOOLS
TO THE RESPECTIVE IMPLEMENTING UNITS**

To: Regional Directors
Schools Division/City Superintendents
Heads, Public Elementary and Secondary Schools
All Others Concerned

1. For the information and guidance of all concerned, the Department of Education (DepEd) hereby issues the **Implementing Guidelines on the Direct Release of Maintenance and Other Operating Expenses (MOOE) Allocations of Schools to the Respective Implementing Units** (copy enclosed).
2. For more information, please contact **Mr. Armando C. Ruiz**, Officer-in-Charge, Office of the Assistant Secretary for Finance and Administration, DepEd at telephone no.: (02) 633-72-31 or at fax no.: (02) 683-08-67.
3. Immediate dissemination of and compliance with this Order is directed.

ALBERTO T. MUYOT
Undersecretary
Officer-in-Charge

Encl.:
As stated

Reference:
None

To be indicated in the Perpetual Index
under the following subjects:

FUNDS
EXPENSES
PAYMENT
POLICY
PROCUREMENT

Madel: DO MOOE Guidelines
August 3, 2011



**IMPLEMENTING GUIDELINES ON THE DIRECT RELEASE OF MAINTENANCE
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1. Legal Bases

The following are the legal bases of these guidelines:

- a. Department of Budget and Management (DBM) and DepEd Joint Circular No. 2004-1 dated January 01, 2004 entitled Guidelines on the Direct Release of Funds to DepED-Regional Offices and Implementing Units;
- b. Section 10, Republic Act No. 9155 (Governance of Basic Education Act of 2001) which provides that the appropriations intended for the regional and field offices (elementary/secondary schools and schools division offices) are to be allocated directly and released immediately by the DBM to the said offices; and
- c. Section 10 of the DepEd Special Provisions, Republic Act No. 10147, the General Appropriations Act (GAA) of Fiscal Year 2011.

2. Implementation Requirements

- a. The implementing units (IUs) are capable of administering their own funds since they have position items assigned to handle cashiering and bookkeeping functions, whether on a permanent or temporary basis.
- b. The DBM has already assigned agency codes to the said IUs, hence, they are authorized to open Modified Disbursement Scheme (MDS) Sub-Accounts in government depository banks and that the cash allocations intended for the aforementioned IUs are directly issued by the DBM to their respective MDS Sub-Accounts.
- c. The IUs are required to maintain sets of books of accounts.
- d. The MDS Sub-Accounts of Schools Division Offices (SDOs) shall cover transactions of the SDO (Proper), elementary schools (ESs) and secondary schools (SSs) without financial staff, and may also include SSs with financial staff that have no access to the banks, etc.

3. Responsibilities of Implementing Units (IUs)

a. The DepED-Central Office (CO) shall...

- a.1. provide the Regional and Schools Division Offices with a matrix showing the MOOE allocation of every public elementary school out of the appropriation authorized for MOOE for each Schools Division Office under the Elementary Education as reflected in the GAA; and
- a.2. post on its website the allocations for elementary schools as mentioned in Item 3.1.1 hereof.



b. The Schools Division Offices (SDOs) shall...

- b.1. inform the heads of ESs and SSs without financial staff of their allotment and/or cash allocation for MOOE;
- b.2. download in full to the heads of elementary schools and non-implementing secondary schools their MOOE allocations through cash advance using the replenishment method. The SDOs are prohibited from undertaking centralized procurement of any good or service out of school MOOE intended for distribution to schools in kind. In extreme cases, however, the SDOs may procure items using school MOOE provided that they submit a report to the Office of the Secretary through the Office of the Undersecretary for Finance and Administration explaining the need for such items; describing the nature, type, quantity and price of those items listed by the receiving school; and presenting the estimated price difference between the division and school procurement, and the name of the supplier including the mode of procurement used. While the report does not require pre-approval, SDOs must submit such report within thirty (30) days after the conduct of the procurement, for audit and monitoring purposes.
- b.3 submit to the Office of the Secretary through the Office of the Undersecretary for Finance and Administration monthly reports on the status of the downloading of school MOOE and its utilization.

c. The Elementary School (ES) and Secondary School (SS) Without Financial Staff shall...

- c.1. apply for bonding with the Bureau of Treasury, Fidelity Bond Division;
- c.2. draw cash advance from their supervising/directing SDO for their MOOE requirements;
- c.3 pursuant to Item H.1.1 of the Manual on Simplified Accounting Guidelines and Procedures for the Use of Non-Implementing Units/Schools, Version 2008, submit to the SDO on or before the 5th day of the following month the original copy of the Cash Disbursement Register (CDR), the paid Disbursement Vouchers (DVs) and all supporting documents which shall serve as liquidation or replenishment of the cash advance granted. Subsequent cash advance shall be granted only upon receipt of the CDR equivalent to at least 75% of the previous cash advance. It is reiterated, however, that any remaining cash advance at the end of the year must be liquidated in full and unexpended balances be refunded; and
- c.4. disburse funds in accordance with the existing budgeting, accounting, procurement, and auditing rules and regulations.

4. Uses of School MOOE

- a. To fund activities as identified in the approved School Improvement Plan (SIP) which are for implementation in the current year particularly in improving learning outcomes and as specifically determined in the Annual Implementation Plan (AIP) of the school;

- b. To pay expenses for utilities (e.g. electric and water expenses);
- c. To procure school supplies necessary in classroom teaching;
- d. To pay salaries for janitorial and security services; and
- e. To use for other mandatory expenditures except for the procurement of textbooks and other instructional materials, and school furniture and equipment.

5. Penalty Clause

The SDO and school officials/personnel who violate any provision of this Order shall be dealt with administratively, pursuant to DepEd Order No. 49, s. 2006, otherwise known as the "Revised Rules of Procedure of the Department of Education in Administrative Cases."

