



Republic of the Philippines
Department of Education

14 AUG 2014

DepEd ORDER
No. **35**, s. 2014

GUIDELINES ON THE UTILIZATION OF THE ENGINEERING AND ADMINISTRATIVE OVERHEAD (EAO) FUNDS FOR THE IMPLEMENTATION OF THE CONSTRUCTION AND REPAIR OF SCHOOL BUILDINGS AFFECTED BY THE BOHOL EARTHQUAKE AND SUPER TYPHOON YOLANDA

To: Undersecretaries
Assistant Secretaries
Bureau Directors
Directors of Services, Centers and Heads of Units
Regional Directors
Schools Division Superintendents
All Others Concerned

1. A Special Provision of Republic Act No. 10352 (General Appropriations Act, Fiscal Year 2013) states that 1% of the total appropriations of the Basic Educational Facilities Funds (BEFF) is authorized to be deducted and utilized for Engineering and Administrative Overhead (EAO) Funds.
2. Similarly, under the Philippine Amusement and Gaming Corporation (PAGCOR)-Funded School Building Projects, 1% of the project cost is hereby authorized to be deducted to cover EAO. Thus, 99% of the amount released for infrastructure projects is made available for direct implementation of the project.
3. As part of the contract implementation management of school building projects in calamity-stricken areas, the 1% EAO Funds may be used for the following purposes:
 - a. Material testing and quality control;
 - b. Survey and field studies;
 - c. Expenses incurred in the monitoring and inspection of projects (transportation, per diem, gasoline, hired vehicle and contracted vehicle);
 - d. Communication allowance;
 - e. Supplies and materials for reporting and documentation;
 - f. Meals during meetings relative to calamity-stricken projects; and
 - g. Purchase of Service Vehicle to be assigned to the Physical Facilities Unit of the schools division office for monitoring of school building projects.
4. The 1% EAO Funds shall be allocated and released in the following manner:
 - a. 0.70% shall be retained at the central office (CO);
 - b. 0.25% shall be released to the implementing units (regional/schools division offices/secondary schools with fiscal autonomy), and the percentage share shall be incorporated in the Sub-Allotment Release Order (Sub-ARO) to be issued to the respective implementing units; and
 - c. 0.05% shall be released to the regional offices, if they are not implementing units, through the issuance of a separate Sub-ARO.

5. The monitoring activities shall be the main responsibility of the regional and schools division offices, through the Physical Facilities Coordinators (PFCs), with support from the CO, through the Physical Facilities and Schools Engineering Division-Office of Planning Service (PFSED-OPS).
6. The PFCs and DepEd Project Engineers/Architects are authorized to utilize the EAO Funds for the monitoring of the calamity-stricken projects.
7. Unutilized EAO Funds may be used for the construction and repair/rehabilitation of related calamity-stricken projects.
8. The EAO Funds shall be used in accordance with the standard government accounting and auditing rules and regulations.
9. Unauthorized use of these funds shall be dealt with accordingly.
10. Immediate dissemination of this Memorandum is desired.


BR. ARMIN A. LUISTRO FSC
Secretary

Reference:

N o n e

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

CALAMITY
FUNDS
POLICY
SCHOOLBUILDING