



Republic of the Philippines  
**Department of Education**

25 APR 2016

DepEd O R D E R  
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**GUIDELINES ON ACCEPTING DONATIONS AND ON PROCESSING APPLICATIONS  
FOR THE AVAILMENT OF TAX INCENTIVES BY PRIVATE DONOR-PARTNERS  
SUPPORTING THE K TO 12 PROGRAM**

To: Undersecretaries  
Assistant Secretaries  
Bureau and Service Directors  
Regional Directors  
Schools Division Superintendents  
Public Elementary and Secondary Schools Heads  
All Others Concerned

1. For the information and guidance of all concerned, the Department of Education (DepEd) issues the enclosed **Guidelines on Accepting Donations and on Processing Applications for the Availment of Tax Incentives by Private Donor – Partners Supporting the K to 12 Program**.
2. Promulgated to enable schools and donating entities to mutually benefit from their partnership, these guidelines conform with the tax incentives provision of Republic Act No. 8525 otherwise known as the *Adopt-a-School Act of 1998* and of the Revenue Regulations No. 10-2003.
3. These guidelines aim to provide details on the availment of tax incentives by private sector partners and on valuation of their support.
4. Existing Adopt-a-School Program (ASP) rules and regulations on the treatment and valuation of other forms of support/donation at all school levels, shall continue to apply in processing tax incentive applications.
5. All applications for the availment of tax incentives shall be processed expeditiously and efficiently, and shall be given priority attention. All private sector partners planning to avail of tax incentives should be advised to immediately complete all documentation requirements for submission to the Bureau of Internal Revenue.
6. All DepEd Orders and other related issuances, rules and regulations, and provisions which are inconsistent with these guidelines are repealed, rescinded, or modified accordingly.
7. For more information, all concerned may contact the **External Partnerships Service – Adopt-a-School Program (ASP) Secretariat**, Department of Education (DepEd) Central Office, Teodora Alonso Building, DepEd Complex, Meralco Avenue, Pasig City at telephone no. (02) 638-8637.
8. Immediate dissemination of and strict compliance with this Order is directed.

  
**BR. ARMIN A. LUISTRO FSC**  
Secretary

Encl.:

As stated

Reference:

DepEd Order (No. 40, s. 2015)

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

INCENTIVE

PARTNERSHIPS

POLICY

PROGRAM

STRAND: Strategic Management

TAX

Madel/SMA: Guidelines for Accepting Donations  
0115-February 5/10/23/March 14, 2016/4-18

**Guidelines for Accepting Donations and Processing Applications for  
the Availment of Tax Incentives by Private Donor-Partners  
Supporting the K to 12 Program**

**I. Rationale**

Recognizing the contribution of the Private Sector towards the realization of the goals of the K to 12 Program, the Department of Education (DepEd) provides opportunities for its donor partners to apply for the availment of tax incentives or tax exemption arising from the partners' expenses incurred in the program since such entitlement is permitted under Republic Act No. 8525 otherwise known as the Adopt-a-School Act of 1998 and of Revenue Regulations No. 10-2003.

As the door for the tax incentives availment is opened for Private Sector partners, DepEd is responsible for ensuring that all applications conform with the existing policies and that they are processed efficiently.

**II. Scope**

These guidelines are intended to provide direction to Private Sector partners about the application process for the availment of tax incentives, the requirements for submission to the Adopt-a-School Program Secretariat and Revenue District Office (RDO) of the Bureau of Internal Revenue (BIR), qualifications of donor partners as applicants, and valuation of the different assistance packages.

**III. Definition of Terms**

- a. "Private Sector partner" shall refer to an individual engaged in trade or business or in the practice of his/her profession or to business organizations, like corporations, partnerships or cooperatives who/which partners with the DepEd towards providing much needed assistance and services to all public schools.
- b. "Assistance" shall refer to the aid/help/contribution/donation provided by a Private Sector partner to public schools implementing the K to 12 Program. Assistance may be in the form of, but not limited to, infrastructure, real estate property, use of facilities, training and skills development support, funding, consultancy, logistics, technology support, and equipment.
- c. "Agreement" shall refer to Memorandum of Agreement (MOA), Deed of Donation/Acceptance or Usufruct Agreement entered into by and between the Private Sector partner and the public school specifying

the terms and conditions of the partnership, including the tasks, responsibilities and rights of the concerned parties.

- d. "Adopt-a-School Program Secretariat" shall refer to the unit under the External Partnerships Service which reviews, facilitates, and endorses the application of the Private Sector partner to the Revenue District Office having jurisdiction over the place of business of the donating partner.
- e. "Application for tax incentives or tax exemption" shall refer to the application for tax credit by the Private Sector partner referred to under Section 4 of the Adopt-a-School Act of 1998, which is an application for additional deduction in arriving at the net taxable income.
- f. "Work Immersion" shall refer to the component of the Senior High School Program consisting of 80 hours of hands-on experience or work simulation which Grades 11 and 12 students will undergo to obtain much needed exposure and learn competencies related to the actual workplace setting.
- g. "Partnership" shall refer to linkage or relationship established by DepEd (Central Office/Regional Office/Schools Division Office/School) with other organizations to implement projects or programs aligned with the K to 12 curriculum.

#### **IV. Policy Statement**

DepEd recognizes the important role of the Private Sector in the promotion of quality and accessible education. As a way of recognizing the active involvement of the Private Sector in the implementation of the K to 12 Program which entailed providing various support packages to public schools, the DepEd supports the tax incentivization campaign of the Bureau of Internal Revenue, one of which is through the implementation of the tax incentive provision of RA 8525, "Adopt-a-School Act of 1998". With private entities given the opportunity to help public schools, these adopting entities become eligible for tax incentive claims, as such entitlement is contained in RA 8525.

## **V. Procedure for the Availment of Tax Incentives by the Private Sector Partner**

### **PRE-MOA SIGNING**

1. The DepEd (or school) and the Private Sector partner shall draft a Memorandum of Agreement (MOA), the latter specifying the responsibilities and rights of both parties, including details of the donation/contribution, program implementation term, beneficiaries, donation value, and others. Please see template of the MOA as an enclosure of these guidelines.
2. The draft MOA is reviewed by the DepEd legal personnel.

### **MOA SIGNING**

3. After the draft MOA has been reviewed and is determined to be in order, official representatives from each concerned party will sign the MOA.

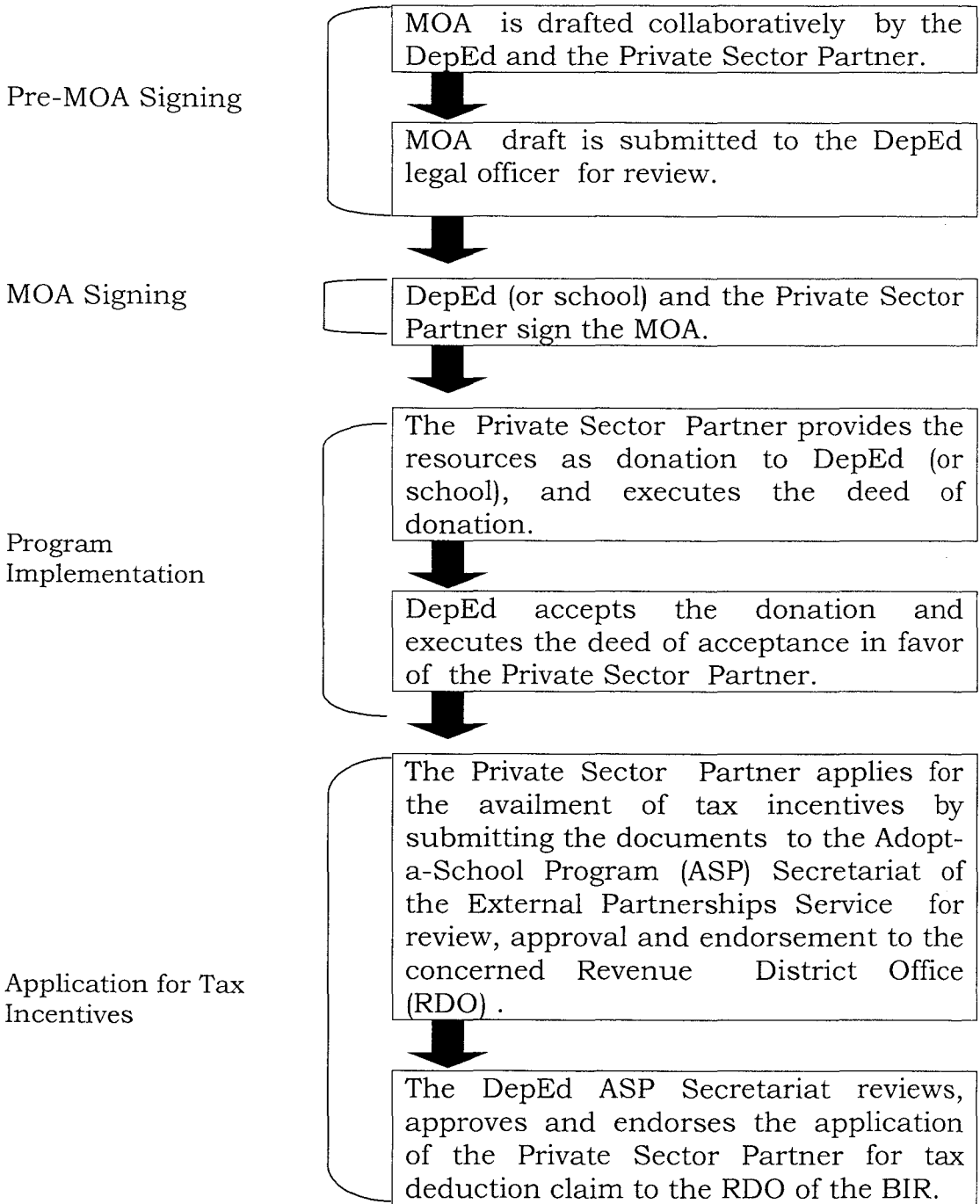
### **PROGRAM IMPLEMENTATION**

4. As a result of the MOA signing, the Private Sector partner provides/delivers support packages to the DepEd (or school) as scheduled and executes a deed of donation (DOD) in favor of the beneficiary school, with the DOD containing the actual peso worth of the support packages.
5. The DepEd (or school) receives the support and executes a deed of acceptance as a way of acknowledging the donation provided by the Private Sector partner.

### **APPLICATION FOR TAX INCENTIVES**

6. The Private Sector partner applies for the availment of tax incentives arising from its expenses incurred in the program, by submitting proper and complete requirements to the DepEd Adopt-a-School Program Secretariat which is under the External Partnerships Service.
7. The DepEd Adopt-a-School Program Secretariat reviews application papers of partners and endorses them to the Revenue District Office of BIR for approval.

**Flow Chart**



**VI. Qualifications of Private Sector Partners Entitled to Apply**

These private donating entities must possess the following qualifications at any time during the term of the Agreement:

1. It must have a credible track record as an organization.
2. It must be paying its required taxes on time or within the concerned fiscal year.
3. It must have been in existence for at least one year as shown in its Articles of Incorporation from the Security and Exchange Commission, Certificate of Registration at the Cooperative Development Authority, or business permit from the local government.
4. It must not have been prosecuted and found guilty of engaging in any illegal activities.
5. It must not be affiliated or connected to any group in the tobacco industry.
6. It must possess the thrust and image aligned with the values which the DepEd promotes.

**VII. Valuation of the Assistance/Contribution or Donation**

- a. **Funding assistance/contribution or donation.** The amount of assistance/contribution or donation shall be based on the actual amount contributed/donated appearing on the official receipt or acknowledgement receipt issued by the donee.
- b. **Use of Facilities.** If the assistance is in the form of access of teachers and students to facilities operated by the Private Sector partner such as buildings, offices, laboratories, shops, machine and equipment, among others, the amount shall be based on the rental value agreed upon by the concerned office of the DepEd and/or the school and the Private Sector partner, as stated in the Memorandum of Agreement.

**Formula for computation :**

Rental rate (per hour) at the time of program implementation*	x	Number of hours the facilities was used	=	Total value of the assistance/donation provided
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Example:

Php 1,000.00 (rate per hour) x 80 hours = Php 80,000.00

\*Rental rate will be based on prevailing rate in the area.

Documentation requirement: Canvass report showing rental rates from at least three establishments.

- c. **Services and Professional Expertise.** If the assistance is in the form of resource persons for lectures, workshops, hands-on training, orientation, supervisory work and the like, the amount of the contribution or donation shall be based on the value of services rendered as agreed upon by the Private Sector partner, the concerned office of the DepEd and the public school, as stated in the Memorandum of Agreement or the actual expenses incurred by the Private Sector partner, whichever is lower.

**Formula for computation :**

Compensation rate (per hour) based on the last declared income from the same nature of work or service rendered	x	Number of hours rendered	=	Total value of the assistance/ service provided
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Example:

Php 300.00 per hour X 80 hours rendered = Php 24,000.00

Documentation requirement: Payroll or certification of Salary Rate from the Personnel Division, and copy of the Income Tax Return.

- d. **Equipment, machines, and other materials.** If the assistance is in the form of brand new equipment and machines, the amount of the contribution or donation shall be based on the acquisition cost by the Private Sector partner or the actual cost at the time of the donation. However, if said items had already been used, then such valuation take into consideration the depreciated booked value of the donation.

**Formula for computation :**

Acquisition cost of donated equipment or item	x	Number of units or pieces	=	Total value of the donation given
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Example A:

Php 40,000.00 (brand new oven) X 2 units = Php 80,000.00

Documentation Requirement : Official receipt/invoice

Example B:

Php 10,000 (depreciated value of a second-hand-oven) x 2 units = Php 20,000.00



Documentation requirement: Any official document showing the acquisition cost and computation of equipment with depreciated value.

- e. **Land/Real Estate Property.** If the assistance is in the form of real property, the amount of the contribution or donation shall be the zonal value or assessed value of the property at the time of the contribution/donation, as determined pursuant to Section 6(E) of the Tax Code or the book value/depreciated value of the property, whichever is lower. Appraisal increase or appreciation in the value of the asset recorded in the books of account should not be considered in computing the book value of the asset.

**Formula for computation :**

Lot area	x	Zonal value at the time the lot was given or assessed value of the property per sq. meter, whichever is lower	=	Total value of the land or real estate property donated
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Example:

1,000 sq. meters X Php 5,000 per sq. meter = Php 5,000,000

Documentation requirement: Zonal value certification obtained from the BIR

**NOTE:** Value of donations being applied for tax incentive claim will still be subject to BIR's approval.

**VIII. Requirements for Submission of Private Sector Partner for Tax Incentives Availment**

- a. Letter of intent addressed to the Secretary of Education;
- b. Duly notarized Memorandum of Agreement;
- c. Duly notarized Deed of Donation and Deed of Acceptance;
- d. Official receipts or any document showing the actual value of the contribution/donation;
- e. Certificate of Title and Tax Declaration, if the donation is in the form of real property; and tax clearance certificate and tax declaration issued by the Office of the Assessor. Aside from this, donors should also submit their recent real estate tax receipts;
- f. Other adequate records showing the direct connection or relation of the expenses being claimed as deduction/donation to the adopting

private entity's participation in the program, as well as showing or proving receipt of the donated property.

- g. Documents related to in-kind donations such as time, use of space, professional service or skills, and the like.

### **IX. Monitoring and Evaluation**

To ensure that the applications for the availment of tax incentives shall be processed expeditiously and efficiently, all concerned parties shall adhere to timelines.

The External Partnerships Service - Adopt-a-School Program (EPS-ASP) Secretariat shall continuously gather feedback on the implementation of the guidelines from all concerned parties, the result of which shall be the basis in enhancing further the policy's provisions and effectiveness.

Activity	Period of Action	Indicative Period/Date	Responsible Party/Office
Preparation, approval and signing of MOA	Two weeks	Weeks before the implementation of the work immersion program	DepEd (or school) and the adopting private entity
Implementation of the program and delivery of the support to schools	One month	After the signing of the MOA, period of which is within a specified school year	Private Sector Partner
Filing of requirements for the tax incentive application	One day	Upon completion of the work immersion program	Private Sector Partner
Review of application and supporting documents	One week	As soon as the documents have been received	DepEd External Partnerships Service - Adopt-a-School Program (EPS-ASP) Secretariat
Preparation of the endorsement paper to the concerned Revenue District Office of BIR	One day	After the review of documents, resulting to the approval of the application	EPS-ASP Secretariat
Release of the BIR endorsement to the	One day	As soon as the tax incentive	EPS-ASP Secretariat

Private Sector Partner		endorsement is approved by the DepEd Secretary.	
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**X. References:**

- a. Republic Act No. 8525 (the Adopt-a-School Act of 1998)
- b. DepEd Order No. 2, s. 2013 entitled Revised Implementing Rules and Regulations of RA 8525 Otherwise Known as the Adopt-a-School Act of 1998
- c. Revenue Regulations No. 10-2013 entitled Implementing the Tax Incentives Provisions of RA 8525 Otherwise Known as the Adopt-a-School Act of 1998
- d. Revenue Memorandum Circular No. 86-2014 entitled Clarifying the Valuation of Contributions or Gifts Actually Paid or Made in Computing Taxable Income
- e. DepEd Order No. 40, s. 2015 entitled Guidelines on K to 12 Partnerships
- f. CSC-DOH Joint Memorandum Circular No. 2010-01 on Protection of the Bureaucracy Against Tobacco Industry Interference

**XI. Effectivity:**

Starting School Year 2016-2017, this policy shall remain in force and in effect, unless sooner repealed, amended or rescinded.

**Enclosure No. 1**

**MEMORANDUM OF AGREEMENT**

This Memorandum of Agreement is entered into this \_\_\_\_ of \_\_\_\_, 20\_\_\_\_ in \_\_\_\_\_, by and between:

The <NAME OF SCHOOL>, with School Identification Number \_\_\_\_\_ a public high school, with principal address at \_\_\_\_\_, represented in this Agreement by its <Position>, <Name>, <nationality> of legal age, and hereinafter referred to as the SCHOOL;

-and-

The <NAME OF COMPANY>, duly constituted and registered in the Philippines, with principal address at \_\_\_\_\_, represented in this Agreement by its <Position>, <NAME>, <NATIONALITY>, of legal age, hereinafter referred to as the "COMPANY",

WITNESSETH:

**WHEREAS**, the Department of Education of the Philippines, hereinafter referred to as "DepEd", is the primary government instrumentality mandated to formulate, implement, and coordinate policies, plans, programs and projects in the areas of formal and non-formal basic education; supervise all elementary and secondary education institutions, including alternative learning systems, both public and private; and provide for the establishment and maintenance of a complete, adequate, and integrated system of basic education relevant to the goals of national development;

**WHEREAS**, the DepEd has introduced the K to 12 Basic Education Program that includes Senior High School, hereinafter referred to as "SHS", with the major objective of ensuring that graduates of basic education are ready for employment, entrepreneurship and higher learning;

**WHEREAS**, the SHS curriculum can be customized at the local levels to take into consideration the needs of local industries and the labor market;

**WHEREAS**, the DepEd believes that for the effective delivery of SHS instruction, there is a need for school-industry partnerships that will provide the school the necessary expertise and venue for practical, on-the-job, enterprise-based training for SHS learners;

**WHEREAS**, the DepEd will start full implementation of SHS in School Year 2016-2017;

**WHEREAS**, the SCHOOL is among those that will offer SHS to students in the community to carry out DepEd's objectives for SHS as spelled out above;

**WHEREAS**, to achieve this objective, the SCHOOL needs to enter into a Work Immersion Partnership with the COMPANY;

**WHEREAS**, the COMPANY operates in the area where the School is located and has offices, facilities, project sites, and expertise that it can make available to the School for purposes of student work immersion;

**WHEREAS**, the COMPANY considers going into a work immersion partnership with the School as part of its mission to create a positive impact on the community, especially the young people;

**WHEREAS**, the COMPANY as a donor is entitled to apply for the availment of tax incentives as provided under Republic Act No. 8525 otherwise known as the Adopt-A-School Act of 1998 and as provided under Revenue Regulations No. 10 s. 2003, Implementing the Tax Incentives Provision of RA 8525.

**WHEREAS**, the SCHOOL and the COMPANY, hereinafter collectively referred to as "the parties", undertake to collaborate for the successful implementation of the SHS in <Municipality> cognizant of the need for special protection of the child and with the best interest of the SHS learner at heart;

**NOW, THEREFORE**, for and in consideration of the foregoing premises, the PARTIES hereby agree as follows:

#### **DESCRIPTION OF THE WORK IMMERSION PROGRAM**

With the passage of the Republic Act No. 10533, the Enhanced Basic Education Act of 2013, the DepEd was tasked to implement the K to 12 Program, including the addition of two (2) years to the secondary education with SHS;

The DepEd designed the implementation of RA 10533 within the framework of increased community involvement in the learner's experience;

With this premise, the DepEd, offers venues for various stakeholders to participate in the implementation of RA 10533 and, the same offer, accepted by the PARTIES herein;

The Work Immersion Program is one of the specialized subjects in SHS. A SHS student may undergo work immersion in a business organization or establishment with work requirements related to the specialization. Through work immersion, the students are exposed to and are familiarized with the work-related environment related to their field of specialization. Specifically, the students are able to:

1. Gain relevant and practical industrial skills under the guidance of industry experts and workers;

2. Appreciate the importance and application of the principles and theories taught in the classroom;
3. Enhance their technical knowledge and skills;
4. Prepare them to meet the needs and challenges of employment, entrepreneurship, or higher education after their graduation.

## **I. OBJECTIVES OF THE WORK IMMERSION PARTNERSHIP**

The Work Immersion Partnership has the following objectives:

1. To supplement the formal curriculum of the SHS program with special inputs coming from the COMPANY experts and practitioners in order to make the SHS program aligned and consistent with work standards;
2. To develop in the SHS students the knowledge and skills that are relevant to the needs of the job market in the area;
3. To provide SHS students relevant learning experiences by giving them exposure to the actual workplace ; and
4. To allow the students the students, faculty, and staff of the schools concerned the use of and access to the COMPANY workplace and equipment as part of their Work Immersion Program.

## **II. RESPONSIBILITIES OF THE PARTIES**

### **A. Joint Responsibilities**

Both the SCHOOL and the COMPANY shall:

1. Create a joint working group that will prepare the action plan to operationalize the partnership.
2. Form a joint steering committee to monitor the progress of the partnership and to make sure that the provisions of this Memorandum of Agreement (MOA) are met.
3. Adhere to all laws, memoranda and circulars pertaining to child protection.
4. Adhere to all laws, memoranda and circulars on acceptance of financial assistance as donation. (See Annex A of this MOA for the procedural requirement on the acceptance and utilization of funds as donation.)
5. Using the SHS Curriculum Guide for Immersion as basis, develop the students' Work Immersion module specifying goals and objectives, desired outcomes of the program and how these outcomes will be achieved, also noting the specific

knowledge, skills, attitudes and competencies that the student should acquire after completing the program.

6. Develop a Work Immersion Daily Schedule of Activities that will be followed by the students during the whole duration of the Work Immersion Program.
7. Formulate local school work immersion policies and guidelines on selection, placement, monitoring, and assessment of students (immersion participants), in order to ensure that each student is assigned to an immersion partner matched to his/her desired track, qualifications and aptitude.

**B. Responsibilities of the School**

The SCHOOL shall:

1. Identify and indicate the SHS track/s, strand/s, and/or specialization/s which will be the subject of the partnership.
2. Make the needed adjustments to contextualize the SHS subjects based on inputs coming from the COMPANY.
3. Designate a person who will be in-charge of coordinating with the COMPANY and supervising the activities of the students for the duration of the Work Immersion Program.
4. Continue to exercise its Special Parental Authority under the Family Code over the Senior High School student under immersion in the premises of the partner.
5. Monitor each student's progress throughout the duration of the entire work immersion program so as to make sure that the tasks assigned to each student are meaningful, challenging, and applicable to his/her particular programs and are able to maximize the quality of the learning experience.
6. Provide the COMPANY an evaluation tool for the students' immersion performance.
7. Issue a final grade to the student upon completion of the requirements within a prescribed period.
8. Ensure that the student will adhere to the non-disclosure policies of the COMPANY as agreed to by the School.
9. Provide signed Consent forms from the parents as applicable.
10. Provide the COMPANY a Certificate of Participation in the SHS program for whatever purpose it may serve.

11. Execute a deed of acceptance as a way of recognizing and acknowledging the donation/s received from the COMPANY.
12. Ensure proper recording of the property or material support received, through coordination with either the school custodian or division supply officer.
13. Coordinate with the DepEd Central Office Adopt-a-School Program Secretariat the application of donor for review and endorsement on tax incentive entitlement to the concerned Revenue District Office.

**C. Responsibilities of the Company :**

The COMPANY shall:

1. Assign a competent Immersion Coordinator from the COMPANY to liaise with the School and supervise the students without prejudice to the special parental authority of the school, its administrators and teachers for the duration of the work immersion program so as to ensure efficient implementation of all stages of the program.
2. Provide inputs into the curriculum through the discussions or workshops that DepEd will organize.
3. Lend its expertise by making available its resident resource persons to provide training to the students.
4. Allow the students to be deployed to the different sections/departments/project sites of the COMPANY based on the Work Immersion Daily Schedule of Activities.
5. Agree to the required number of hours of the immersion program set under the DepEd SHS curriculum.
6. Provide immersion opportunities for <number of students> students for School Year 2016-2017.
7. Provide students with an orientation about the COMPANY, its line of business, and the work its employees do, and expose them to the various stakeholders of the community in which the COMPANY operates for the students to get a holistic understanding of its business.
8. Similarly ensure that students undergo training related to their course, and provide the students with work or activities that are varied and applicable to their field of study.
9. Make its workplace and facilities available to students, and shall similarly take all necessary action to ensure the safety of students within their areas of operation at



all times, which shall include, but shall not be limited to, the provision for Personal Protective Equipment (PPEs), if applicable. Ensure that the students will not be exposed to hazardous materials and working environment throughout the duration of the immersion.

10. Evaluate students' performance in the immersion venue by accomplishing the provided evaluation tool.
11. Issue a Certificate of Completion to the student trainees upon satisfactory compliance with all requirements of the program.
12. Execute a deed of donation in favor of DepEd for the completed Work Immersion Partnership.
13. Submit to the DepEd Central Office Adopt-A-School Program Secretariat all pertinent documents in support of the amount specified/claimed for the tax exemption application of the COMPANY.

### **III. EFFECTIVITY**

This Agreement shall hold for the duration of the <from year to year> School Year and is renewable every year. The COMPANY and the SCHOOL shall submit their intention for renewal of this agreement through formal notice within thirty (30) days before the expiration of this Agreement.

The COMPANY and the SCHOOL reserve their respective rights to terminate their participation in the agreement through formal written notice within thirty (30) days before the effectivity of the termination. Both parties shall turn over all deliverables agreed thereto in the Work Immersion Program. Termination shall be subject to the mutual agreement between the parties.

### **IV. PROGRAM COST**

The estimated cost of the assistance provided for the school within the agreed term is Php\_\_\_\_\_.

Breakdown of the cost:

Details	Cost
_____	_____
_____	_____
_____	_____
Total	_____

#### **IV. LIABILITY**

The school, its administrator and teachers exercising authority and supervision over the Senior High School Student undergoing immersion in the premises of the partner may be held accountable for the student's acts.

Each party shall answer for losses and damages arising from any accident, act, or omission directly attributable to its fault or negligence, which may cause death or bodily injury to any persons, or loss or damage to property, by or on account of the performance of the respective obligations by the parties pursuant to this Agreement. Such responsibility shall continue to remain that of the responsible party's even after the termination of this agreement, if such losses and damages were incurred during the effectivity of this agreement.

DepEd shall not be liable for opportunity losses of the COMPANY during the duration and after the termination of this agreement.

#### **V. NON-DISCLOSURE PROVISION**

It is expressly understood by DepEd and the students that all information on technology, manufacturing process, process standards, quality assurance methodologies, quality standards, production capabilities, raw material purchasing, marketing, finance, and all other related documents, manuals, operational and technical matters that the COMPANY shall make available to them shall be used for the sole purpose of student training. All of these matters are classified as confidential in nature and proprietary to the COMPANY and thereby each student hereby undertakes to prevent transfer of such information to any party outside of the COMPANY .

#### **VI. OTHER PROVISIONS**

It is expressly understood by the PARTIES that the COMPANY is not obliged to pay wage or salary since there is no employer-employee relationship that exists. However, the COMPANY is not precluded from providing the student with any monetary or financial assistance in the form of transportation fee, food allowance, etc.

In determining the existence of an employer-employee relationship, the following elements are considered: (1) the power to hire; (2) the payment of wages; (3) the power to dismiss, and (4) the power to control the employee's conduct, with the control test generally assuming primacy in the overall consideration.

No employer-employee relationship exists between the student and the partner in work immersion if all the following criteria are met:

1. The training, even though it includes actual operation of the employer's facilities, is similar to training provided in an educational program;
2. The training is for the benefit of the student;
3. The student does not displace regular employees, and works under close supervision;

4. The students are not entitled to a job at the conclusion of the training period and are free to take jobs elsewhere in the same field;
5. Any training is performed under the supervision and direction of people who are knowledgeable and experienced in the activity;
6. The training is general, and qualifies the student to work in any similar business. It is not designed specifically for a job with the employer that offers the program;
7. The screening process for the immersion program is not the same as for employment, and does not appear to be for that purpose. The screening only uses criteria relevant for admission to an independent educational program; and
8. Advertisements, posting, or solicitations for the program clearly discuss education or training, rather than employment, although employers may indicate that qualified graduates may be considered for employment.

This Agreement may be revised, amended or modified only through a written instrument duly executed and signed by all parties.

FOR THE SCHOOL:

FOR THE COMPANY:

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<NAME>  
<POSITION>

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<NAME>  
<POSITION>

WITNESSED BY:

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APPROVED BY:

---

<NAME>  
<POSITION>  
<DEPARTMENT>

**Procedure in Accommodating and Utilizing Financial Assistance  
as Donation**

**A. On Receiving the Fund**

1. The DepEd schools division office or school receives the financial assistance as donation from the Private Sector partner.
2. The DepEd schools division office or school deposits the fund as donation to the Bureau of Treasury (BTr).
3. The DepEd schools division office or school secures the Certification of Deposit from the BTr.

**B. On Utilizing the Fund**

1. The DepEd schools division office or school requests the Department of Budget and Management (DBM) for the issuance of Notice of Cash Allocation and for the release of funds.
2. The DepEd schools division office or school implements the program as planned using the released funds from DBM. <sup>1</sup>
3. The DepEd schools division office or school provides the Private Sector partner and DBM report on expenditures arising from the implementation of the program.

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<sup>1</sup> Purchase of goods, items, including services should adhere to the provisions of Republic Act No. 9184 otherwise known as the Government Procurement Reform Act and its revised Implementing Rules and Regulations. Likewise, payment of goods, commodities and services shall be in accordance with pertinent accounting and auditing rules, and regulations .

- nothing follows -