



Republic of the Philippines  
**Department of Education**

10 SEP 2018

DepEd O R D E R  
No. **036**, s. 2018

**PROCUREMENT GUIDELINES ON THE IMPLEMENTATION  
OF CASH-BASED BUDGETING FOR FISCAL YEAR 2019**

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

1. The Department of Education (DepEd) issues the **Procurement Guidelines on the Implementation of Cash-Based Budgeting for Fiscal Year (FY) 2019**. This is in line with the shift from annual obligation-based appropriations, and to ensure the smooth transition to the major component of budget reforms.
2. The guidelines are as follows:
  - a. Starting FY 2019, regardless of allotment class, the validity of appropriations is limited to one year. **Only accomplishments, goods delivered, and services rendered for the period January 1 to December 27, 2019 shall be paid in FY 2019, unless the obligation was incurred in December, to which payment can be settled during the Extended Payment Period (EPP) until March 31 of the succeeding year.** The illustrative procurement timeline is provided in the enclosure.
  - b. The **contracts** to be issued to winning bidders shall explicitly stipulate the above condition, stating further that it is the responsibility of the supplier/contractor/consultant to expedite the submission of delivery documents to the Procuring Entity, in accordance with the Bidding Documents issued for the project, consistent with the updated Guidelines on Delivery, Inspection, Acceptance, and Recording of DepEd Procured Assets to be issued.
  - c. The end-user/implementing unit is responsible for the submission of the following payment documents to the Finance Service/Division:
    - i. Inspection and Acceptance Report (IAR),
    - ii. Delivery Reports (DR), and
    - iii. Sales Invoice together with the Obligation Request and Status (ORS).
  - d. The Property Transfer Report (PTR) shall be forwarded to the Asset Management Division (AMD).
  - e. The Finance Division shall be responsible in the booking-up to be eligible for payment under the EPP.



3. All procuring entities are enjoined to conduct early procurement activities as soon as the National Expenditure Program (NEP) is submitted to the Congress.
4. To support early procurement, the Indicative FY 2019 Annual Procurement Plan (APP) non-Common Supplies and Expenditure (non-CSE) consistent with the FY 2019 NEP should be prepared and posted on the agency transparency seal **not later than August 31, 2018**. Memorandum Circular 2018-1 requires the posting of the APP non-CSE on or before the said date, and that all agencies undertake early procurement of at least 50% of the value of the budget submitted to Congress, consistent with the NEP.
5. For more information, contact:
  - **Ma. Teresa S. Fulgar**  
Chief Administrative Officer
  - **Belinda T. Argonza**  
Supervising Administrative Officer  
Procurement Management Service (ProcS)  
Procurement Planning and Management Division (PPMD)  
Telephone Nos.: (02) 638-4392; (02) 636-6543
  - **Ruth P. Romano**  
Supervising Administrative Officer  
ProcS-Contract Management Division (CMD)  
Telephone No.: (02) 635-3762
6. Immediate dissemination of and strict compliance with this Order is directed.

  
**LEONOR MAGTOLIS BRIONES**  
Secretary

Encl.:

As stated

Reference:

N o n e

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

ALLOTMENT  
APPROPRIATIONS  
BUDGET  
CONTRACTS  
PAYMENT  
PROCUREMENT  
PROJECTS

