



Republic of the Philippines  
**Department of Education**

11 MAR 2016

DepEd ORDER  
No. **13**, s. 2016

**IMPLEMENTING GUIDELINES ON THE DIRECT RELEASE AND USE OF MAINTENANCE  
AND OTHER OPERATING EXPENSES (MOOE) ALLOCATIONS OF SCHOOLS,  
INCLUDING OTHER FUNDS MANAGED BY SCHOOLS**

To: 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) hereby issues the enclosed **Implementing Guidelines on the Direct Release and Use of Maintenance and Other Operating Expenses (MOOE) Allocations of Schools, Including Other Funds Managed by Schools**.
2. This Order supersedes DepEd Order No. 12, s. 2014 and shall take effect immediately upon issuance.
3. For any inquiries on this matter, all concerned may contact the **Office of the Assistant Secretary for Finance and Administration**, Department of Education (DepEd) Central Office, DepEd Complex, Meralco Avenue, Pasig City through telephone no. (02) 633-7231 or through fax no.: (02) 683-0867.
4. Immediate dissemination of and strict compliance with this Order is directed.

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

Encl.:  
As stated

Reference:  
DepEd Order (No. 12, s. 2014)

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

EXPENSES  
FUNDS

POLICY  
SCHOOLS

STRAND: Finance and Administration

SMA, DO Guidelines on the Direct Release and Use of MOOE  
0187-March 5, 2016

**Implementing Guidelines on the Direct Release of Maintenance and Other Operating Expenses (MOOE) Allocations of Schools**

**I. Rationale**

1) The school budget is one of the most powerful tools to promote and strengthen school based management and accountability. This is why apart from curricular reforms and capacity building programs, the Department of Education (DepEd) continues to make more resources available to schools to support them in enabling students to perform better. With the adoption of the new school MOOE formula starting 2013, the DepEd moves closer to rationalizing the programming of school budgets. Previously, the school MOOE budget was computed solely based on enrollment given a per capita cost. With the new formula, other factors affecting school operations are considered, such as the number of teachers and classrooms managed by the school, the number of graduating or completing students, and a fixed amount corresponding to basic needs of a school. In addition to this, starting 2016, financial assistance previously released separately for special programs or activities are now incorporated in the budget for the operations of schools. The budgets that will no longer be downloaded from the Central Office and are now part of the regular school MOOE budget include: a) financial assistance to support special curricular programs in Science (Special Science Elementary Schools, Regional Science High Schools, Science, Technology and Engineering Program in High Schools), Sports (High Schools with Special Programs in Sports), Arts (High Schools with Special Programs in Arts) and Special Education; b) DepEd Internet Connectivity Program; c) Gulayan sa Paaralan; and d) School Based Management Grants. The Department continues develop and institute policies and reforms that would deepen the decentralization of education management.

2) This DepEd Order aims: i) to provide guidance to all public schools on the derivation, release and the utilization of school MOOE; ii) to ensure timely and optimal use of school resources, and iii) to institute mechanisms for transparency and accountability.

3) It is based on the following legal bases; i) 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*", and ii) 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 [SDOs]) are to be allocated directly and released immediately by DBM to the said offices.

**II. Scope of the Policy**

4) This DepEd Order provides the mechanisms, procedures, and standards for the release, utilization and liquidation of School MOOE of all public elementary schools, junior and senior high schools nationwide. This also defines the roles and responsibilities of each level of governance in managing school MOOE.

### **III. Policy Statement**

5) The DepEd hereby establishes the mechanisms, procedures and standards in the utilization of school MOOE that shall be followed strictly by all public elementary, junior and senior high schools in the country. This policy also promotes equity, transparency and accountability.

### **IV. Procedures**

#### **A. Release of Funds from the Department of Budget and Management (DBM)**

6) The release of allotments are being made by the DBM Offices concerned direct to the Implementing Units (IUs) through the General Appropriations Act as Release Document (GAARD), and Special Allotment Release Orders (SAROs) for budget items withheld for later release.

7) The cash allocations corresponding to the allotments released are issued by the DBM direct to the Modified Disbursement Scheme (MDS) Sub-Accounts being maintained by the respective IUs.

#### **B. Implementation Requirements**

8) The IUs are capable of administering their own funds since they have bookkeeper and disbursing officer plantilla positions which handle cashiering and bookkeeping functions.

9) The IUs with agency codes are authorized to open MDS Sub-Accounts in authorized government depository banks and the cash allocations are directly issued by the DBM to their respective Sub-Accounts.

9.1. The IUs are required to maintain sets of books of accounts.

9.2. The MDS Sub-Accounts of SDOs shall cover transactions of the SDO (Proper), elementary schools (ESs), secondary schools (SSs) without financial staff.

#### **C. Responsibilities of Implementing Units**

10) The DepEd-Central Office (CO) shall:

10.1. Provide the Regional Offices (ROs) and SDOs with a matrix showing the MOOE allocation of each public ES and SS without financial staff out of the appropriations authorized for MOOE for each SDO for Elementary Education and Secondary Education under Operations of Schools as reflected in the General Appropriations Act (GAA); and

10.2. Post the allocations of all public elementary and secondary schools, including those that are IUs and non-IUs, on the DepEd website.

- 11) The SDO shall:
  - 11.1. Inform in writing the heads of ESs and SSs without financial staff of their annual MOOE allocation;
  - 11.2. Ensure that, by the end of the year, the MOOE allocations of ESs and non-implementing SSs have been fully downloaded to the respective heads of the said non-IUs through cash advance using the replenishment method. Said replenishment must be made within 3 working days upon receipt of the liquidation report. The SDOs are prohibited from undertaking centralized procurement of any good or service out of school MOOE intended for distribution to schools in kind. However, in extreme cases, such as instances when the principal or school's accountable officer has unliquidated cash advances and cannot receive additional cash advance, the SDOs may procure items using school MOOE, provided that they submit a report to their respective RO and the Office of the Secretary (OSEC), through the Offices of the Undersecretary for Finance and Administration and Undersecretary of Governance and Operations, explaining or presenting:
    - 11.1.1. the need for such items;
    - 11.1.2. the nature, type, quantity, and price of the items listed by the receiving school; and
    - 11.1.3. the estimated price difference between the division and school procurement, and the name of the supplier, including the mode of procurement used.
  - 11.3. 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; and
  - 11.4. Comply with the reporting requirements outlined under Part VI of this DepEd Order.
- 12) Elementary, and secondary schools without financial staff shall:
  - 12.1. Apply for bonding with the Bureau of Treasury, Fidelity Bond Division;
  - 12.2. Draw cash advance from their supervising/directing SDO for their MOOE requirements;
  - 12.3. 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 advances 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 refunded;

12.4. Disburse funds in accordance with the existing budgeting, accounting, procurement, and auditing rules and regulations; and

12.5. Comply with the reporting requirements outlined under Part VI of this DepEd Order.

13) IU Secondary Schools shall:

13.1. Disburse funds in accordance with the existing budgeting, accounting, procurement, and auditing rules and regulations; and

13.2 Comply with the reporting requirements outlined under Part VI of this DepEd Order.

#### **D. Uses of School MOOE**

14) To fund activities as identified in the approved School Improvement Plan (SIP) for implementation in the current year and as specifically determined in the Annual Implementation Plan (AIP) of the school;

15) To support expenses for school-based training and activities that are selected or designed to address the most critical needs that will improve learning outcomes in the school as well as official school meetings, such as but not limited to, Learning Action Cells (LAC) and Continuous Improvement (CI) sessions;

16) To support expenses on special curricular programs (e.g., advocacy, assessment, capacity building, learning environment, learner development, and research) and co-curricular activities of special curricular program (e.g. travel expenses) (see **Annex 1**). All recipient schools of subsidies under DepEd Orders 20 and 38, series of 2015 shall continue to implement their respective curricular programs while other schools may access the School MOOE funds to support their intention to realize such programs;

17) To finance expenses pertaining to graduation rites, moving up or closing ceremonies and recognition activities;

18) To procure school supplies and other consumables for teachers and students deemed necessary in the conduct of classes;

19) To fund minor repairs of facilities, building and grounds maintenance and the upkeep of the school;

20) To fund rental and minor repairs of tools and equipment deemed necessary for the conduct of teaching and learning activities;

21) To pay for wages of full-time janitorial, transportation/mobility and security services;

22) To pay for utilities (electricity and water) and communication (telephone and Internet connectivity) expenses; and

23) To pay for reproduction of teacher-made activity sheets or exercises that were downloaded from the Learning Resource Management and Development System (LRMDS), which support differences in learning among students.

24) The school MOOE may be used to procure small capital expenditure items worth PhP15,000 and below, as provided in the new Government Accounting Manual issued by the Commission on Audit. This shall be subject to separate guidelines to be issued by DepEd.

25) In no case shall the school MOOE be used for the procurement of school furniture (such as seats, and teacher's tables and chairs), and textbooks and other instructional materials, even if these expenditures are contained in the SIP. In this regard, instructional materials includes publications, periodicals, and review materials.

#### **V. School MOOE budget for Senior High Schools**

26) The DepEd has allocated operating budgets for schools offering the Senior High School (SHS) program with the opening of Grade 11 classes starting June 2016. The DepEd CO shall release these budgets to the respective IUs once data on actual enrollment and other school factors are made available and submitted. The process for the release of these funds shall be subject to guidelines to be issued later on by DepEd.

#### **VI. Reporting Requirements**

27) Principals/school heads/teachers-in-charge shall:

27.1. Declare all sources of funding of the school, which include school MOOE allocation, private donations, funding support from local government units (i.e. Special Education Fund) and other government agencies, funding support from local stakeholders such as School Governing Councils (SGC), Parent-Teacher-Community Associations (PTCA), civil society organizations (CSO), alumni associations, revenue from school canteen operations, and other income generated from the disposal of assets, rent, or collection of fees (as cited in Special Provisions 1 and 2 under the DepEd budget in the 2016 GAA). The report on sources and uses of school funds shall include not only the amounts of funding received by the school but also details on quantity and description, if such donations are received in kind;

- 27.2. Outline the intended utilization of the abovementioned funds, including the timing of such utilization of funds or donations in kind, consistent with its SIP, in its report on sources and uses of school funds;
- 27.3. Ensure that all procurement using school funds conform to the provisions of Republic Act No. 9184. The report on sources and use of school funds shall include the names of suppliers and service providers where there is procurement of goods and services against school funds;
- 27.4. Post information on the sources, intended use and actual utilization of school funds in the Transparency Board that must be publicly accessible and must be updated every 3 months; and
- 27.5. Using the School Report Card, formally communicate/present the sources and uses of school funds to the following stakeholders: (a) faculty and staff of the school, (b) the PTCA, (c) the SGC, and (d) local stakeholders who are active partners of the school (i.e. barangay officials, CSO groups, alumni association) in accordance with DepEd Order No.44, series of 2015.

28) All SDOs are required to submit to their respective ROs reports on the monthly status of School MOOE downloading and utilization, including issues and challenges encountered, if any, every 5<sup>th</sup> day of the month using the format labeled as Annex 2. Such reports shall be consolidated by the ROs concerned for subsequent submission to the Central Office thru the Accounting Division-FS every 10<sup>th</sup> day of the month using the format labeled as Annex 3. The existing accounting and auditing rules and regulations shall govern the liquidation process.

#### **VII. Penalty Clause**

29) The SDO and school heads that 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*".

#### **VII. Effectivity**

30) This Order supersedes DepEd Order No. 12, s. 2014 and shall take effect immediately upon issuance.

**Eligible Special Curricular Programs' Activities and Expenses Matrix**

<b>Special Program</b>	<b>Eligible Activities and Expenses</b>
Science	<ul style="list-style-type: none"> <li>• Conduct of investigatory projects and student researches relative to the program including payment for supplies, laboratory tests, rentals of equipment, spaces and transport ;</li> <li>• Participation of pupils/students in development activities such as leadership training workshop, Science and Math competition, training, workshops, and other program-related seminars and conferences;</li> <li>• Professional development of Science and Mathematics teachers and school heads including participation in related seminars, conferences, training and workshops;</li> <li>• Payment for services of psychologists and psychometricians in the screening and identification of entrants;</li> <li>• Minor repairs and maintenance of facilities and devices such as science model apparatuses, scientific tools and equipment.</li> </ul>
Special Education	<ul style="list-style-type: none"> <li>• Pupil development activities such as camp activities, scouting, educational visits, stakeholders' SPED activity orientations, sports, and training in SPED-related activities; and participation to national celebrations.</li> <li>• Procurement of the following:               <ul style="list-style-type: none"> <li>○ manipulative materials/resources for the gifted and talented and other disabilities;</li> <li>○ psychological services;</li> <li>○ supplies for the Transition Program</li> <li>○ maintenance and minor repairs of existing devices/facilities, science models, apparatuses, etc.</li> </ul> </li> <li>• Travel expenses relative to teachers and school heads and supervisors' participation in and attendance to activities relevant to the implementation of the program and their professional growth.</li> </ul>
Art	<ul style="list-style-type: none"> <li>• Student development activities such as participation in DepEd-approved festivals, competitions and symposiums;</li> <li>• Professional development of teachers and school heads including participation in Arts-related seminars, conferences, training and workshops;</li> <li>• Purchase of supplies related to arts including costumes/uniform in the different arts areas.</li> </ul>
Sports	<ul style="list-style-type: none"> <li>• Student development activities such as participation in DepEd-approved festivals and competitions;</li> <li>• Professional development of teachers and school heads including participation in Sports-related seminars, conferences, training and workshops;</li> <li>• Purchase of supplies related to sports including uniform in the different sports disciplines.</li> </ul>



**DEPARTMENT OF EDUCATION**  
**STATUS OF DOWNLOADING AND UTILIZATION OF MOOE ALLOCATIONS OF ELEMENTARY AND NON-IU SECONDARY SCHOOLS**  
**DIVISION OF \_\_\_\_\_**

As of \_\_\_\_\_

Name of School	Total Allotment for School MOOE as Released by DBM			Total Amount of School MOOE Downloaded Thru Cash Advance			Total Amount of Cash Advances Liquidated			Percentage of Liquidation over Amount Downloaded			Issues/Challenges Being Encountered
	Elementary	Secondary	Total	Elementary	Secondary	Total	Elementary	Secondary	Total	Elementary	Secondary	Total	
<b>Elementary Schools</b>													
1			0.00			0.00			0.00				
2			0.00			0.00			0.00				
3			0.00			0.00			0.00				
4			0.00			0.00			0.00				
5			0.00			0.00			0.00				
6			0.00			0.00			0.00				
<b>Total</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00				
<b>Secondary Schools (Non-IUs)</b>													
1			0.00			0.00			0.00				
2			0.00			0.00			0.00				
3			0.00			0.00			0.00				
4			0.00			0.00			0.00				
5			0.00			0.00			0.00				
6			0.00			0.00			0.00				
<b>Total</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00				
<b>Grand Total</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00				

Prepared by: \_\_\_\_\_

Certified Correct: \_\_\_\_\_

Noted by: \_\_\_\_\_

Name  
Designation

Name  
Designation

Name  
Schools Division Superintendent

DEPARTMENT OF EDUCATION											Annex 3		
CONSOLIDATED STATUS OF DOWNLOADING AND UTILIZATION OF MOOE ALLOCATIONS OF ELEMENTARY AND NON-IU SECONDARY SCHOOLS													
REGION _____													
For the Period as of _____													
Schools Division Office	Total Allotment for School MOOE as Released by DBM			Total Amount of School MOOE Downloaded Thru Cash Advance			Total Amount of Cash Advances Liquidated			Percentage of Liquidation over Amount Downloaded			
	Elementary	Secondary	Total	Elementary	Secondary	Total	Elementary	Secondary	Total	Elementary	Secondary	Total	
1			0.00			0.00			0.00				
2			0.00			0.00			0.00				
3			0.00			0.00			0.00				
4			0.00			0.00			0.00				
5			0.00			0.00			0.00				
6			0.00			0.00			0.00				
7			0.00			0.00			0.00				
8			0.00			0.00			0.00				
9			0.00			0.00			0.00				
10			0.00			0.00			0.00				
11			0.00			0.00			0.00				
12			0.00			0.00			0.00				
13			0.00			0.00			0.00				
14			0.00			0.00			0.00				
15			0.00			0.00			0.00				
16			0.00			0.00			0.00				
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>				
<b>Prepared by:</b>			<b>Certified Correct:</b>						<b>Noted by:</b>				
Name			Name						Name				
Designation			Designation						Regional Director				

**DEPARTMENT OF EDUCATION  
CONSOLIDATED STATUS OF DOWNLOADED MOOE  
REGION**

**Annex 3**

For the Period as of

Schools Division Office	Number of Elementary & Secondary Schools				No. Of Non-lus Recipient of MOOE Downloading			Issues/Challenges Being Encountered	
	Elementary Schools	Secondary Schools			Grand Total	Elementary	Secondary		Total
		Total	Less IUs	Non-IUs					
1				0	0			0	
2				0	0			0	
3				0	0			0	
4				0	0			0	
5				0	0			0	
6				0	0			0	
7				0	0			0	
8				0	0			0	
9				0	0			0	
10				0	0			0	
11				0	0			0	
12				0	0			0	
13				0	0			0	
14				0	0			0	
15				0	0			0	
16				0	0			0	
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

<b>Prepared by:</b>	<b>Certified Correct:</b>	<b>Noted by:</b>
<b>Name</b>	<b>Name</b>	<b>Name</b>
Designation	Designation	Regional Director