

Republika ng Pilipinas
(Republic of the Philippines)
KAGAWARAN NG EDUKASYON AT KULTURA
(DEPARTMENT OF EDUCATION AND CULTURE)
Maynila

December 28, 1976

DEPARTMENT ORDER
No. 65, s. 1976

REVISED IMPLEMENTING RULES AND REGULATIONS
FOR PRESIDENTIAL DECREE NO. 451

To: Bureau Directors
Regional Directors
Schools Superintendents
Heads of Private Schools, Colleges
and Universities

1. For the information and guidance of all concerned, inclosed is the Revised Implementing Rules and Regulations for Presidential Decree No. 451 governing increase in tuition and other school fees as well as new school fees or charges to be imposed by new or existing private schools beginning the school year 1977-78.
2. Attention is invited to the new and/or revised provisions of the Rules, particularly Sections 3, 4 and 5 of Rule I; Sections 1 and 2 of Rule II; Sections 1, 2, 3 and 4 of Rule III; Sections 1, 2 and 3 of Rule IV; and Sections 3, 4 and 5 of Rule V thereof.
3. Conformably to Section 1 of Rule III, the deadline for the filing of applications for increase and/or new fees of existing private schools, proposed to take effect next school year, shall not be later than the last day of the current school year.
4. For immediate dissemination to all concerned.

(SGD.) JUAN L. MANUEL
Secretary of Education and Culture

Incl.:
As stated

Reference:

Department Order: No. 5, s. 1976

Allotment: 1-3-4--(D.O. 1-76)

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

FEES
FUNDS
DECREE
PAYMENT

RULES & REGULATIONS
SCHOOLS
STUDENTS
UNIVERSITIES and COLLEGES

(Inclosure to Department Order No. 65, s. 1976)

REVISED IMPLEMENTING RULES AND REGULATIONS
FOR PRESIDENTIAL DECREE NO. 451

Pursuant to Section 4 of Presidential Decree No. 451, in relation to Section 1 thereof, the following revised implementing rules and regulations governing increase in tuition and other school fees as well as new school fees or charges to be imposed by new or existing private schools beginning the school year 1977-78, unless otherwise specifically amended, are hereby prescribed and promulgated for guidance:

RULE I - POLICY AND SCOPE

Section 1. Scope. - The rules and regulations herein prescribed shall apply to all private schools authorized to operate courses by the Secretary of Education and Culture.

Section 2. Authority to Regulate. - The Secretary of Education and Culture has the authority to regulate on the rates or schedule of tuition and other school fees, including any increase or change thereof, collected or to be collected from students or their parents by all private schools.

Any increase or change in the approved rates, including new tuition and/or other school fees, of private schools shall not be effected without the prior approval of the Secretary of Education and Culture. Any violation shall be subject to the penal provisions of the law.

Section 3. Purpose of Increase. - The purpose or purposes for which an increase in the current rates of tuition and/or other school fees of a private school may be considered are:

- a. To allow the school to generate additional funds to implement and/or support its approved retirement plan and other fringe benefits for all school personnel, or to increase the current salary rates of teaching and non-teaching school personnel especially if the same do not as yet satisfy the amounts provided for in prescribed rules and standards, or to support its faculty development program;
- b. To allow the school to have additional funds for the improvement of its instructional, library and research facilities, and student and extension services; and
- c. To provide additional scholarships as called for under existing laws.

Section 4. Purpose of New Fees. - The purpose of charging new fees in existing schools shall be to generate funds for essential services that are not as yet provided for on the basis of the approved school fees, or for the prosecution of developmental programs as well as maintenance of the viability and growth of such programs.

Section 5. Fees of New Schools or Courses. - The proposed rates and schedule of tuition and other school fees of a new school or course shall be included in the corresponding feasibility study that should be required for such application. The approval of the proposed rates or schedule of tuition and/or other school fees of each new school or course as provided in Section 2 hereof, shall be a condition precedent, among the other requirements, for the grant of the authority to operate the new school or course pursuant to the mandate of Act No. 2706, as amended.

Section 6. Effectivity of Increase and/or New Fees. - Unless provided otherwise, the effectivity of any approved increase or change in tuition and/or other school fees, including new tuition and other school fees, of private schools shall be specified and indicated on the action taken by the Secretary of Education and Culture on each application.

RULE II - DEFINITION OF TERMS

Section 1. General Application. - Unless otherwise specifically defined in these rules, the following terms shall be understood thus -

- a. Tuition Fee - covers the school charges for the course(s) or subject(s) enrolled in by the student as indicated in the prospectus, bulletin of information, or catalogue of each private school. The rates on the tuition fee for collegiate courses shall be indicated on the per unit basis while those for the elementary and secondary courses shall be indicated on a school year basis.
- b. Other School Fees - include all miscellaneous fees charged for certain and actual services rendered by private schools to their students, which may be paid either on a monthly, semestral, or yearly basis, as embodied in their respective prospectus, bulletin of information or catalogue, and which are collected and earmarked for the specific purposes intended pursuant to existing laws, rules and regulations.

- c. Current School Fees - refer to the tuition and/or other school fees charged by each private school previously approved by the Secretary of Education and Culture, pursuant to P.D. No. 451.
- d. Increase in Fees - means any addition in the amount of the current tuition and/or other school fees as defined in sub-sections a, b and c herein.
- e. New School Fees - mean those charges which are to be imposed for each new course, or on which essential service ought to be rendered and were not included in the previously approved rates of school fees of existing schools or courses.
- f. Private Schools - include all private educational institutions duly authorized by the Secretary of Education and Culture to operate any course or courses.
- g. Students - refer to all enrollees in all levels in any and all private schools.
- h. School Administration - includes all departments, offices or units of a private school.
- i. Entrance Examination Fee - means the amount charged for the preparation, administration, correction and evaluation of an examination for purposes of admission into any post-secondary course, including the release of results to individual examinees.
- j. Registration Fee - covers the cost of establishing and maintaining records of students, and all other expenses incurred relative to the enrollment and attendance of students during each school term.
- k. Medical and Dental Fee - refers to the cost of health services such as medical and dental consultation and treatment, hospitalization and infirmary privileges, and other required health services pertaining thereto.
- l. Library Fee - covers the cost of library services, and the improvement and maintenance of library facilities made available to students during each school term.

- m. Laboratory Fee - refers to the expenses incurred in the operation and maintenance of the school laboratories, including acquisition of expendable laboratory supplies and materials, and is imposed only on students enrolled in laboratory subjects.
- n. Laboratory Deposit - means the refundable fee deposited by a student to cover the possible loss, breakage, or non-return of laboratory equipment used or borrowed by him.
- o. Athletic Fee - covers the expenses for school sports development in consonance with the youth development program of the Department of Education and Culture.
- p. Guidance and Counselling - refers to the cost of the operation of the guidance and counselling office of each school, and the maintenance of guidance and counselling facilities and services therein made available to the students.

Section 2. Special Application. - For Nursing, Midwifery and/or other para-medical courses, in particular, the following terms shall be taken to mean:

- a. Tuition or Clinical Instruction or Instructional Fee - refers to the amount of money charged to students for enrolling in a given subject or subjects which shall be assessed on the basis of unit load for each school term.
- b. Affiliation Fee - covers the cost of instruction in special areas which shall be limited to Orthopedic, Communicable Diseases, Mental Diseases, and Public Health and shall be taken by students in approved hospitals and/or other health agencies for affiliation purposes. In support of each application for affiliation fee, a certified true copy of the affiliation contract as called under existing rules shall be submitted.
- c. School Dormitory Fee - refers to the amount of money charged of students, for their residence in the school dormitory and/or use of its facilities as defined in the school rules and regulations, in consonance with existing government policies. Residence in, and/or use of school dormitory shall be strictly voluntary or optional on the part of the students or their parents.

RULE III - APPLICATION

Section 1. Period of Filing. - All applications for increase in tuition and/or other school fees, including new fees or charges of existing schools, together with all necessary supporting documents, shall be filed in triplicate by mail or personal delivery, through the Regional Office (or in quadruplicate, if filed through the Division Office, to the Secretary of Education and Culture through the DEC Tuition Fee Unit, c/o Bureau of Higher Education, Arroceros Street, Manila, not later than the last day of the school year. Each application filed through the Regional Office should be forwarded to the Secretary of Education and Culture within fifteen (15) days after receipt thereof. Unless allowed by the Secretary of Education and Culture, application filed beyond the reglamentary period herein prescribed shall be returned to the school concerned without action,

Section 2. Contents. - Each application for increase in the current rates of tuition and/or school fees shall indicate, among others, the following:

- a. item(s) for which the school is applying for increase or change in school fees;
- b. current rates of tuition and/or other school fees which shall be itemized or broken down, including arrangement for payment therefor;
- c. proposed percentage of increase for the school term;
- d. proposed revised rates to be imposed or collected;
- e. proposed allocation as prescribed in Section 2 of Rule IV hereof;
- f. proposed program of expenditures or expenses on each allocation to be effected if the application is approved;
- g. purpose or justification of each item in the proposal; and
- h. effectivity, in point of school term, at which time the new rates shall be implemented, if approved.

Each application for new rates of tuition and/or other school fees shall include the proposed amounts to be charged, in addition to Items (a), (e), (f), (g) and (h) above.

Section 3. Notice. - Any proposal for increase in tuition and/or other school fees, or for new fees or charges of existing private schools or courses, shall be announced to the student body in the case of colleges, or to the parents, or the Parent-Teacher Association, if available, in the case of elementary and secondary schools, by the school administration not later than February 15 of the year.

Section 4. Oath and Other Requirements. - The application, under oath, shall be signed by the school head. Each application shall be supported by the following documents:

a. For increase in current rates of existing schools -

- (1) A copy of the latest statement on financial status of the school, certified correct by a Certified Public Accountant.
- (2) A copy of the latest Corporate Annual Income Tax Return or Annual Information Return of Organization Exempt from Income Tax filed with the Bureau of Internal Revenue.
- (3) A certification by the school head regarding the announcement on the proposed increase or change in rates, including the date and manner the announcement was effected.
- (4) A copy of the school retirement plan, duly registered with and approved by the Bureau of Internal Revenue, and a certification from the trustee-bank re the trust funds (not savings or time deposit) deposited by the school to support the retirement plan, if applicable; or a copy of the school's membership certificate with the PERAA or CEAP Retirement Plan and a certification from the PERAA/CEAP management on the up-to-date remittance of retirement premiums, if pertinent.
- (5) A list indicating the monthly salary rates of and benefits granted to all school teaching and non-teaching personnel, by name and position, for the school years 1974-75, 1975-76 and 1976-77, as the case may be, and the proposed monthly salary rates of and benefits to be granted equitably to school personnel, by name and position, for the school year 1977-78; or a copy of the salary standards of the school, together with pertinent supporting documents, if the school has such standards.

- (6) A list of students specifically granted scholarships under P.D. No. 451, including their respective courses.
- (7) A narrative report on the school's projects on student services for 1976-77, i.e. those rendered by the school for the students, such as library, athletic, medical-dental, laboratory, guidance and counselling, housing, etc.
- (8) A narrative report on the extension projects of the school for the school year 1976-77, i.e. community-oriented projects organized or established, managed and financed by the school to help people in indicated depressed areas.
- (9) A narrative report on the school's YCAP projects for the school year 1976-77, including the number of teachers and students involved and the program of expenditures therefor.
- (10) A list of the itemized expenses for classroom instruction, i.e. for materials, aide, or devices, library and research facilities, among others, incurred during the school year 1976-77.
- (11) A detailed and comprehensive report on the distribution of the incremental proceeds from approved increases for the school years 1974-75, 1975-76 and 1976-77, as the case may be, showing (a) total income for the school year; (b) total incremental proceeds from approved increase for the school year; (c) specific items or programs of expenditures for which incremental proceeds were allocated; and (d) actual amount allocated for each specific item or program of expenditure.
- (12) Others as may be required.

b. For proposed new fees of existing schools -

- (1) A copy of proposed program and projects including justification of each proposed new fee.
- (2) A copy of school retirement plan duly registered with and approved by the Bureau of Internal Revenue, and a certification from the trustee-bank re the trust funds deposited by the school to support the retirement plan, if applicable; or a copy of the school's membership certificate

with the PERAA/CEAP Retirement Plan and a certification re the up-to-date remittance of retirement premiums, if pertinent.

- (3) A list indicating the monthly salary rates of and benefits granted to all school personnel, by name and position, for the school year 1976-77, and the proposed monthly salary rates of school personnel, by name and position, for the school year 1977-78.
 - (4) A copy of proposed budget for the proposed program prescribed in (1) above.
 - (5) Others as may be required.
- c. For proposed fees of new schools--

- (1) A copy of the school's Articles of Incorporation registered with the Securities and Exchange Commission, if applicant-school is a corporation.
- (2) A copy of school's brochure, indicating the institutional philosophy and objectives of the school.
- (3) Certified true copy of "go-signal" issued by the Secretary of Education and Culture, for the operation of the course as required under existing rules.
- (4) A copy of proposed budget of the school.
- (5) A list indicating the proposed monthly salary rates and benefits for all school personnel, by name and position, or school salary standards, if available.
- (6) Others as may be required.

RULE IV - ACTION ON APPLICATION

Section 1. Delegation of Authority. - The DEC Tuition Fee Unit, under the immediate supervision of the Director of Higher Education, is hereby authorized to process and evaluate all applications for increase in tuition and/or other school fees as well as new school fees or charges, and to submit corresponding recommendations thereon to the Secretary of Education and Culture for final action.

Section 2. Distribution of Proceeds. - The following distribution of the total incremental proceeds from the increase in tuition and/or other school fees of each school shall be observed:

- a. 60% - for retirement plan and other fringe benefits, faculty development, and equitable increase in the rates of salary and/or allowance of all school teaching and non-teaching personnel;
- b. 28% - for improvement in instructional, library and research facilities, student services, additional scholarships, and extension services; and
- c. 12% - for return on investments.

Section 3. Percentage of Increase. - The rate of increase in tuition and/or other school fees shall in no case exceed fifteen percent (15%) of the approved school fees of the school concerned during the current school year. On a case to case basis, however, schools may be allowed to increase the corresponding charges for certain specific and essential items by more than fifteen percent (15%) depending on the needs therein; subject to the provisions of these implementing rules and provided that the total aggregate increase does not exceed the fifteen percent ceiling as provided herein.

Section 4. Scholarships. - As a condition for the grant of any application for increase in tuition and/or other school fees, each private school is required to provide scholarships to poor and deserving students at the ratio of one free scholarship for every five hundred (500) students enrolled: Provided, however, that this requirement may not cover schools with a total enrollment of less than one thousand (1,000) students; and provided, further, that the free scholarships herein called for shall be exclusive of, ~~or~~ in addition to, any existing privileges internally granted by the school to class valedictorians, salutatorians, or other students who have achieved scholastic distinctions as well as to other forms or kinds of scholarship such as those granted to athletes, working students, and/or other beneficiaries.

RULE V - MISCELLANEOUS

Section 1. Review of School Financial Statement. - The Secretary of Education and Culture, whenever he deems fit and necessary for verification purposes, may authorize or request the Commission on Audit, through its Commission, to review the financial statement submitted by the private school concerned pursuant to Section 4 of Rule III hereof, and to examine the books and records relative thereto.

Section 2. Prohibition. - The administration of each private school is prohibited from sponsoring and/or holding any benefit shows, movies, concerts, dramatic presentations, games and/or performances of whatever kind or nature whether for charitable or other purposes.

Any violation of this provision shall be sufficient cause for the cancellation of the approval granted by the Secretary of Education and Culture on the latest increase in tuition and/or other school fees of the school concerned, or a valid ground for the disapproval of its application if one is pending consideration.

Section 3. School YCAP Fee. - A private school may be allowed to collect a reasonable amount as YCAP fee, provided that the school has its own on-going programs and substantial projects based on existing rules and requirements of the Department of Education and Culture.

The approval on the YCAP fee of each school is valid only for one school year, until further advice.

Section 4. Classification of School Fees. - School fees to be charged students enrolled in any course are categorized into:

- a. Basic and Essential Fees, which are directly **supportive** to the basic instructional standards and operation of the school. Payment of basic and essential school fees are deemed compulsory on the part of the students, provided that the service called for is effected and rendered by the school concerned.

Among the different items under this category are the following:

- (1) Tuition;
- (2) Entrance Examination Fee (for admission into professional courses);
- (3) Medical-Dental (including Physical Examination);
- (4) Registration;
- (5) Library;
- (6) Laboratory (which should be paid per laboratory subject, and shall be limited to such laboratory subjects as Chemistry, Zoology, Microbiology, Anatomy and Physiology, Fundamentals of Nursing, Botany, Biology, General Science, Physics, Practical Arts, Vocational Arts, Nutrition, Engineering and Architecture);
- (7) Athletics;

- (8) Affiliation (for Nursing and other Para-Medical courses);
- (9) Guidance and Counselling (for schools/colleges with Guidance and Counselling center and program);
- (10) School Publication/Organ (for Journalism and Mass Communication courses; and
- (11) Others as may be approved by the Secretary of Education and Culture.

b. Non-essential or Auxiliary Fees, which are ~~optional~~ indirectly related to the accomplishment of the instructional program and operation of the school. Payment of such fees shall be deemed voluntary or optional on the part of the students or their parents: Provided, however, that if a student or parent exercises the option to avail of the non-essential or auxiliary service of the school, the corresponding fee therefor as approved by the Secretary of Education and Culture shall be paid accordingly.

Among the items under this category are the following:

- (1) School Annual;
- (2) Graduation;
- (3) Audio-Visual;
- (4) Speech Clinic;
- (5) S.R.A.;
- (6) Book Rental;
- (7) Review Classes;
- (8) Board and Lodging;
- (9) Bus Service;
- (10) School Publication/Organ (except for Journalism and Mass Communication courses);
- (11) Diploma;

- (12) Civic Contributions (except as required under existing laws or policy of the Secretary of Education and Culture);
- (13) Entrance Examination (for admission into post-secondary courses other than professional courses);
- (14) Laboratory Deposit; and
- (15) Others as may be approved by the Secretary of Education and Culture.

Section 5. Other School Fees or Charges. - Other than the school fees or charges indicated in Section 4 herein, no school shall be allowed to collect any kind of school fee or charges without the prior approval of the Secretary of Education and Culture.

Section 6. Penal Provision. - Any violation of any provision of these Implementing Rules and Regulations, or any final decision made by the Secretary of Education and Culture, pursuant to Section 8 of Presidential Decree No. 451, shall be punishable by a fine of Five Thousand Pesos (P5,000) or imprisonment or both, at the discretion of the court, which penalty shall be imposed on the official or officials of the private school concerned, or any person acting for and in behalf of the school directly responsible for the violation. The same penalty shall be imposed if the violator is a public official, without prejudice to any administrative action that may be taken against him.

Section 7. Repealing Clause. - All existing rules and regulations inconsistent with the present Implementing Rules and Regulations are deemed repealed, cancelled, revoked, or modified accordingly.

Section 8. Effectivity. - These Implementing Rules and Regulations shall be effective immediately.

Manila, Philippines, December 28, 1976.

(SGD.) JUAN L. MANUEL
Secretary of Education and Culture



