

Republika ng Philipinas
(Republic of the Philippines)
MINISTRI NG EDUKASYON, KULTURA AT ISPORTS
(MINISTRY OF EDUCATION, CULTURE AND SPORTS)
Manila

November 8, 1984

MECS O R D E R
No. 69, s. 1984

IMPLEMENTING GUIDELINES FOR THE PREPARATION, AUTHORIZATION AND REVIEW
OF ANNUAL/SUPPLEMENTAL BUDGET OF THE LOCAL SCHOOL BOARD CREATED
UNDER R.A. NO. 5447, AS AMENDED BY P.D. 464, BP BLG. 232,
BP BLG. 337 AND PD NO. 1913

To: Bureau Directors
Regional Directors
Schools Superintendents
Vocational School Superintendents/Administrators

1. Inclosed is a copy of Local Budget Circular No. 20 (Joint MECS-OBM Circular) dated September 20, 1984 issued to provide guidelines in the preparation, authorization and review of the annual/supplemental budget of the local school boards.
2. Effective immediately budgets of local school boards shall be prepared and submitted for authorization and review in the manner prescribed in Items 4.0 and 5.0 of the said Local Budget Circular.
3. In view of the minimum participation of the MECS in the preparation, authorization and review of the budgets of school boards, it is incumbent upon the Schools Superintendents and District Supervisors who are vice-chairmen of their respective local school boards to exercise best judgment and protect the interest and welfare of the schools and teachers.
4. The Schools Superintendents and District Supervisors shall henceforth take the initiative of determining the needs of the schools and teachers within their area of jurisdictions and presenting these needs to their respective School Boards for proper consideration during the budget preparation and authorization.
5. Only positions of Elementary Grades Teacher, Elementary School Principal I, Elementary School Principal II, Elementary School Principal III are authorized to be created by the local school board to take care of increase in enrolment. The criteria on the organization of classes should therefore be properly observed.
6. The number of teaching positions created and approved during the calendar year shall be reported to the Finance Officer of the respective regional office for proper integration in the national budget in the next calendar year.
7. Changes and/or additional rules and regulations concerning the Special Education Fund shall be covered by appropriate Ministry Orders. However, any departure from the existing provisions of law, decrees, letters of instructions and rules and regulations should be referred to this Ministry.
8. In order that the MECS will have complete data and information on the activities financed from the Special Education Fund, it is desired that copies of the approved annual and supplemental budgets, annual inventory of equipment, and supplies and materials, periodic statement of actual

income and expenditures be furnished the Regional Offices. The annual report of the Regional Office to this Office shall include information on the activities of the School Boards such as the number of teaching positions created, number of school buildings constructed, textbooks and teaching aids purchased during the calendar year, etc.

9. Immediate dissemination of this Order is hereby enjoined.

(SGD.) JAIME C. LAYA
Minister

Incl.:

As stated

References:

BPS Circulars: Nos. 7 and 8, s. 1969

BPS Memorandum: No. 23, s. 1970

Allotment: 1-2--(D.O. 1-76)

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

BOARD or COUNCIL
BUREAUS & OFFICES
LEGISLATION
REPORT
RULES & REGULATIONS

4.0 Utilization of the Special Education Fund.

4.1 The proceeds of the Special Education Fund accruing to the local government units may be used for the salary adjustment of teachers of the national government pursuant to provisions of P.D. No.1913, in addition to the following purposes mentioned in Section 1 of Republic Act No. 5447, as amended.

(a) the organization and operation of such number of extension classes as may be needed to accommodate all children of school age desiring to enter Grade I, including the creation of positions of classroom teachers head, teachers and principals for such extension classes which shall not exceed the standard requirements of the Bureau of Public Schools: Provided, That under equal circumstances, in the opening of such extension classes, priority shall be given to the needs of the barrios;

(b) the programming of the construction and repair of elementary school buildings, acquisition of sites and the construction and repair of workshops and similar buildings and accessories thereof to house laboratory, technical and similar equipment and apparatus needed by public schools offering practical arts, home economics and vocational courses, giving priority to elementary schools on the basis of the actual needs and total requirements of the country: Provided, That the construction and repair shall be undertaken by the Bureau of Public Works in coordination with the Bureau of Public Schools or Bureau of Vocational Education, as the case may be, and the local school board: Provided, further, That in cases where the cost of the school project does not exceed ten thousand pesos the construction and repair may be undertaken by negotiated contract by the Parents-Teachers Association or by the barrio councils concerned under the supervision and direction of the Bureau of Public Works;

(c) the payment and adjustment of salaries of public school teachers under and by virtue of Republic Act Numbered Five thousand one hundred sixty-eight and all the benefits in favor of public school teachers provided under Republic Act Numbered Four thousand six hundred seventy;

(d) the preparation, printing and/or purchase of textbooks, teachers' guides, forms and pamphlets, approved in accordance with existing laws to be used in all public schools;

(e) the purchase and/or improvement, repair and refurnishing of machinery, laboratory, technical and similar equipment and apparatus, including spare parts needed by the Bureau of Vocational Education and secondary schools offering vocational courses;

(f) the establishment of a printing plant to be used exclusively for the printing needs of the Department of Education and the improvement of regional printing plants in the vocational schools;

(g) the purchase of teaching materials such as workbooks, atlases, flip charts, science and mathematics teaching aids, and simple laboratory devices for elementary and secondary classes;

(h) the implementation of the existing program for citizenship development in barrio high schools, folk schools and adult education classes;

(i) the undertaking of education research, including that of the Board of National Education;

(Inclosure to MECS Order No. 69, s. 1984)

Republic of the Philippines
OFFICE OF BUDGET AND MANAGEMENT
MINISTRY OF EDUCATION, CULTURE AND SPORTS

Local Budget Circular No. 20
(Joint MECS-OBM Circular)
September 20, 1984

T O : All Provincial Governors, City and Municipal Mayors, Sangguniang Panlalawigan/Panglunsod/Sangguniang Bayan, Members of the Provincial/City/Municipal School Board, Budget Officers, Treasurers, Provincial/City Auditors and All Others Concerned

SUBJECT : Implementing guidelines for the preparation, authorization and review of annual/supplemental budgets of the local school board created under R.A. No. 5447 as amended by P.D. No. 464, B.P. Blg. 232, B.P. Blg. 337 and P.D. No. 1913

1.0 Purpose.

1.1 This Joint Circular is issued to provide guidelines in the preparation, authorization and review of the annual/supplemental budget of the local school boards.

2.0 Background.

2.1 Section 41 of P.D. No. 464, as amended by P.D. No. 1913 provides for the imposition of an additional annual tax of one percent on real property in addition to the basic real property tax on which local governments are authorized to levy, assess and collect pursuant to said law, which will accrue to the Special Education Fund created under Republic Act No. 5447.

2.2 Pursuant to Section 1 of P.D. No. 1913, the real property granted exemption under Section 40 of P.D. No. 464 shall also be exempt from the imposition of the additional 1% real property tax.

2.3 Section 37 of Batas Pambansa Blg. 232 provides that the proceeds of the Special Education Fund shall be considered a local fund and shall be subject to Presidential Decree No. 477, Presidential Decree No. 1375 and other applicable local budget laws and regulations.

3.0 Application of Proceeds.

3.1 The entire proceeds of the additional one percent real property tax levied for the Special Education Fund, created under Republic Act No. 5447 collected in the province or city on real property situated in their respective territorial jurisdictions shall be distributed pursuant to Section 2 of P.D. No. 1913 as follows:

3.1.1 Collection in the provinces: Fifty-five percent shall accrue to the municipalities where the property subject to the tax is situated; twenty-five percent shall accrue to the province; and twenty percent shall be remitted to the Treasurer of the Philippines.

3.1.2 Collection in the cities and in the cities and municipalities of Metro Manila: Eighty percent shall be retained by cities including cities and municipalities of Metro-Manila, and twenty percent shall be remitted to the Treasurer of the Philippines.

(j) the granting of government scholarships to poor but deserving students under Republic Act Numbered Four thousand ninety; and

(k) the promotion of physical education, such as athletic meets.

5.0 Budget Preparation, Authorization and Review.

5.1 Budget Preparation

5.1.1 The Provincial/City/Municipal school board shall determine annually the budgetary needs for the educational activities within the province, city or municipality.

5.1.2 The local budget officer shall prepare the school board annual budget in accordance with the local budget preparation rules and regulations issued by the ODM; the policies, rules and regulations issued by the Ministry of Education, Culture and Sports; the priorities set by the elementary and/or secondary education, as the case may be; and the budgetary needs as determined by the local school board.

5.1.3 The school board annual budget shall provide the receipts and expenditures for the ensuing calendar year using the attached Local School Board Budget Preparation Form Nos. 159 and 160 (Annex "A"). This shall be submitted to the Province/City/Municipality where the Special Education Fund accrues on or before February 15 each year.

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5.2 Budget Authorization

5.2.1 On or before March 15 each year the Governor/City/Municipal Mayors shall submit to the Sangguniang Panlalawigan/Panglunsod/Bayan, in addition to the General and Infrastructure Fund annual budget of the local government unit concerned, the annual school board budget for authorization.

5.3 Budget Review

5.3.1 On or before April 25th of each year, the annual school board budget shall be submitted for review to the Office of Budget and Management Regional/Sub-Regional Offices, in the case of provincial and city school board annual budgets and to the Provincial Budget Officer in the case of municipal school board annual budgets.

5.3.2 Review of school board annual budget shall be undertaken following policies, rules and regulations issued by the Ministry of Education, Culture and Sports and in accordance with local government budget review laws, rules and regulations (LBC No. 3 and other pertinent laws) and the attached Checklist (Annex "B").

6.0 Supplemental Budgets

Local School Board supplemental budgets may be prepared not more than once every quarter, to effect changes in the annual school board budget following the same procedures prescribed in Items 4.0 and 5.0 above, which shall be submitted by the local budget officers for review by the reviewing officials concerned within ten days after authorization by the Local Sanggunian.

7.0 This Circular shall take effect immediately.

(SGD.) JAIME C. LAYA
Minister of Education, Culture and Sports

(SGD.) MANUEL S. ALBA
Minister of the Budget

A true copy

Prov./City/Municipality _____

STATEMENT OF INCOME

CY _____

STATEMENT	AMOUNT
Unappropriated balance per last budget	P
Share of Province/City/Municipality on the additional 1% Real Property Tax	_____
Amount available for appropriations	P=====

I certify to the correctness of the above statement of funds available for appropriation.

Date _____

Provincial/City/Municipal Treasurer _____

APPROPRIATIONS

PURPOSES/ACTIVITIES	AMOUNT
ELEMENTARY EDUCATION:	
A. CURRENT OPERATING EXPENDITURES:	
1. Personal Services	
Salaries (To be itemized in the Plantilla of Personnel)	
Life and Retirement Insurance Premiums	
Health Insurance Premium	
State Insurance Fund	
Pag-Ibig Fund	
Cost-of-Living Allowance	
2. Maintenance & Other Operating Expenses	
Travel Expenses	
Communication Services	
Supplies and Materials	
Other Services	
B. CAPITAL OUTLAY	
Equipment Outlay	
Investment Outlay	

PURPOSES/ACTIVITIES	AMOUNT
II. SECONDARY EDUCATION:	
A. CURRENT OPERATING EXPENDITURES:	
1. Personal Services	
Salaries (To be itemized in the Plantilla of Personnel)	
Life and Retirement Insurance Premiums	
Health Insurance Premium	
State Insurance Fund	
Pag-Ibig-Fund	
Cost-of-Living Allowance	
2. Maintenance & Other Operating Expenses	
Travel Expenses	
Communication Services	
Supplies and Materials	
Other Services	
B. CAPITAL OUTLAY	
Equipment Outlay	
Investment Outlay	
III. HIGHER EDUCATION:	
A. CURRENT OPERATING EXPENDITURES:	
1. Personal Services	
Salaries (To be itemized in the Plantilla of Personnel)	
Life and Retirement Insurance Premiums	
Health Insurance Premium	
State Insurance Fund	
Pag-Ibig Fund	
Cost-of-Living Allowance	
2. Maintenance & Other Operating Expenses	
Travel Expenses	
Communication Services	
Supplies and Materials	
Other Services	
B. CAPITAL OUTLAY	
Equipment Outlay	
Investment Outlay	
IV. SPORTS	
A. CURRENT OPERATING EXPENDITURES:	
1. Personal Services	
Salaries (To be itemized in the Plantilla of Personnel)	
Life and Retirement Insurance Premiums	
Health Insurance Premiums	
State Insurance Fund	
Pag-Ibig Fund	
Cost-of-Living Allowance	

2. Maintenance & Other Operating Expenses

- Travel Expenses
- Communication Services
- Supplies and Materials
- Other Services

B. CAPITAL OUTLAYS

- Equipment Outlay
- Investment Outlay

Total Appropriations . . . P _____

Balance available for
appropriations . . . P =====

Prepared by:

Approved by:

Provincial/City/Municipal Budget Officer

Chairman, Province/City/Municipal
School Board

This is to certify that the above budget was approved by the Provincial/
City/Municipal School Board under Resolution No. ___ dated ___ and authorized
by the Sangguniang Panlalawigan/Panglunsod/Bayan under Appropriation Ordinance
No. ___ dated _____.

Date

Attested:

Sanggunian Secretary

Presiding Officer

PERSONNEL SCHEDULE
(Plantilla of Personnel)

Ordinance No.	Item No.		TITLE OF POSITION NAME OF INCUMBENT	Range/Step	Authorized Salary/Annum	Proposed Range/Step	Proposed Salary/Annum	Increase/Decrease
	Old	New						

TOTAL =====

Provincial/City/Municipal School Board Chairman

CHECKLIST

(For purposes of review of Provincial/City/Municipal School Board Budget pursuant to P.D. No. 477, P.D. No. 1375 and other applicable local budget laws and regulations)

Province/City/Municipality	Calendar Year	Date Received
I. Documents Required:		
a)	Resolution of the Prov./City/Municipal School Board No.	_____
	Dated	_____
	Signed By:	_____
b)	Appropriation Ordinance	_____
	No.	_____
	Dated	_____
c)	Annual/Supplemental School Board Budget	_____
1)	Funding Source/Income:	_____
a)	<u>For Province:</u>	_____
	Additional 1% on Real Property	_____
	Less: 55% thereof (share of the municipality)	_____
	20% thereof (to be remitted to the National Treasury)	_____
	25% Share of the Province	=====
2)	<u>For Cities:</u>	_____
	Additional 1% tax on real property	_____
	Less: 20% thereof (to be remitted to the National Treasury)	_____
	80% Share of the City	=====
3)	<u>For Municipalities:</u>	_____
	Additional 1% tax on real property	_____
	Less: 25% share of the province	_____
	20% thereof (to be remitted to the National Treasury)	_____
	55% Share of the Municipality	=====

2) Activities to be financed from the Special Education Funds

	<u>P.D. No. 1913</u>		
	<u>Total No. of Positions</u>	<u>Range/ Step</u>	<u>Appropriation</u>
1. Salary adjustments of teachers of the national government.	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
	<u>R.A. No. 5447</u>		
1. Extension classes; elementary grade teachers, head teachers and principals.	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
	<u>No. of Sch. Buildings</u>	<u>Unit Cost</u>	<u>Appropriation</u>
2. Construction of school buildings and acquisition of sites (outlay).	_____	_____	_____
3. Repair of school buildings and accessories.	_____	_____	_____
	_____	_____	_____
	<u>Total No. of Positions</u>	<u>Range/ Step</u>	
4. Salary adjustment and other benefits to teachers. (Secondary and locally paid teachers)	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
	<u>No. of Units</u>	<u>Title/ Description of Unit</u>	<u>Unit Cost</u> <u>Appropriation</u>
5. Textbooks, teachers' guides, forms and pamphlets.	_____	_____	_____
6. Equipment for vocational classes	_____	_____	_____
7. Teaching materials, aids and devices	_____	_____	_____
8. Education Research	_____	_____	_____
9. Citizenship development programs	_____	_____	_____
10. Physical education and athletics	_____	_____	_____
	<u>No. of Students</u>	<u>Title of Scholarship Grant</u>	<u>Appropriation</u>
11. Student scholarships	_____	_____	_____