

**[DBM-DECS JOINT CIRCULAR NO. 98-7,
November 16, 1998]**

**GUIDELINES AND PROCEDURES ON THE RELEASE OF FUNDS FOR
NON-SCHOOL BUILDING ACTIVITIES OF THE THIRD
ELEMENTARY EDUCATION PROJECT (TEEP)**

1.0 Purpose

1.1 To implement:

1.1.1 DECS Special Provision No. 22 of R.A. 8522 or the General Appropriations Act of 1998, which provides that: "In accordance with the decentralization of fiscal management in the level of schools divisions, the amount herein appropriated for the maintenance and other operating expenses under the Third Elementary Education Project shall be directly released to the schools divisions concerned; PROVIDED, that upon recommendation of the Secretary of the Department of Budget and Management, such other appropriations herein authorized that will directly benefit schools divisions, including desks, textbooks, and repair and maintenance of school buildings, may be released directly to said schools divisions", and

1.1.2 Provision of the Loan Agreement for TEEP under Section 3.01 (e), which provides that: "The Borrower shall ensure that DECS and the DBM enter into a memorandum of agreement whereby all central government funding for public elementary education in the Project Provinces will be allocated by divisions, incorporated into the corresponding annual divisional budget and released directly to DECS-DO".

1.2 To provide the procedural guidelines on the release of Loan Proceeds and GOP Counterpart funds by DBM for the Non-School Building Program of the TEEP.

1.3 To allow decentralization of fiscal management to the level of schools decisions.

1.4 To improve funds flow in order to ensure the timely implementation of the TEEP.

2.0 Definition of Terms

2.1 For the purposes of this circular, the following terms shall be construed to mean as follows:

2.1.1 Project Provinces comprise the following: Abra; Agusan del Sur; Antique; Apayao; Aurora; Basilan; Batanes; Benguet; Biliran; Capiz; Eastern Samar; Guimaras; Ifugao; Kalinga; Leyte; Maguindanao; Masbate; Mountain Province; Negros Oriental; North Cotabato;

Romblon; Southern Leyte; Maguindanao; Masbate; Mountain Province; Negros Oriental; North Cotabato; Romblon; Southern Leyte; Sulu; Surigao del Sur, Tawi-Tawi; Zamboanga del Sur; and, other provinces which may from time to time be designated as project provinces by agreement between the lending institutions and DECS.

2.1.2 DECS-CO means the Department of Education , Culture and Sports as the executing agency of the Government of the Philippines (GOP);

2.1.3 DECS-DO means a divisional office of DECS which is responsible for planning, managing, and budgeting for public education and supervising all elementary and secondary schools.

2.1.4 Divisional Education Development Plan or DEDP means a comprehensive plan of action for the improvement of student participation, completion and learning achievement for a division/province, approved for financing under the loan agreement for TEEP. The DEDP consists of the following:

2.1.4.1 Provision of textbooks and instructional materials to students and teachers in all elementary schools in the Project provinces.

2.1.4.2 Preparation and carrying out of the In-Service Training Program for teachers and school administrators in the Project provinces through the provision of training, equipment and the services of specialists/consultants.

2.1.4.3 Expansion of student access to public elementary education in the Project Provinces through (i) the construction of new classrooms; (ii) the repair and rehabilitation of classrooms; (iii) the construction of other auxiliary facilities in selected schools; and (iv) the provisions of furniture and equipment; and

2.1.4.4 Support of experimental or pilot demand-side intervention programs at the divisional level for the improvement of elementary schools and elementary school education through the establishment of a School Improvement and Innovation Facility (SIIF) and the extension of SIIF Grants to selected DECS-DO.

2.1.5 Project Implementation Support Unit or PISU refers to the central unit within DECS established to coordinate, monitor and evaluate TEEP activities.

2.1.6 School Building Program or SBP refers to the construction, rehabilitation and repair of schools.

2.1.7 Non-School Building Program or NSBP refers to all other components/sub-components of TEEP such as: construction, repair and rehabilitation of DECS district, division and regional offices; and goods (other than textbooks and instructional materials) such as

school and classroom kits, school furniture, and other goods; textbooks and instructional materials; training; School Improvement and Innovation Facility Grants; and consultant services. Expenditures for the Non-School Building Program include Personal Services, Capital Outlay, and Maintenance and Other Operating Expenses.

2.1.8 DBM-CO refers to the Department of Budget and Management Central Office which releases the funds for the project.

2.1.9 Working Fund/Imprest Fund refers to the seed money provided by the lending institution for the payment of eligible expenditures, subject to replenishment, when necessary.

3.0 General Guidelines

3.1 The Project shall be funded through loan proceeds from the International Bank for Reconstruction and Development (IBRD) and the Overseas Economic Cooperation Fund (OECF); and GOP Counterpart.

3.2 DBM-CO shall release GOP counterpart fund for the Non-School Building Program Part of TEEP to:

3.2.1 DECS-CO for the requirements of the PISU

3.2.2 DECS-DO for the requirement of each school divisions.

3.3 DBM-CO shall release Loan Proceeds for the Non-School Building Part of TEEP to DECS-CO for the requirements of PISU and DECS-DO. The release shall be in accordance with DBM-DOF-COA Joint Circular No. 2-97 and DBCC Resolution No. 96-1.

3.4 DECS-CO through the PISU shall sub-allot portions of the Loan Proceeds for Non-School Building Part of TEEP to each DECS-DO corresponding to the amount programmed for its requirements.

3.5 The DECS-CO and all DECS-DO in the project provinces shall maintain their respective separate MDS-Sub-Accounts for the GOP Counterpart funds and bank accounts for the loan proceeds.

3.6 The DECS-CO, through the PISU, shall be responsible for:

3.6.1 Preparing the annual work and financial plan for the whole project identifying the funding requirements of PISU and all DECS-DO to be financed by GOP Counterpart funds and loan proceeds.

3.6.2 Providing the DECS-Regional Office with quarterly summaries of all funds releases made by DBM-CO and sub-allotted by PISU to DECS-DOs under that Regional Office.

3.7 DECS-CO through PISU and DECS-DO shall maintain a separate set of books of accounts for Fund 102.

4.0 Procedural Guidelines