

[DBM NATIONAL BUDGET CIRCULAR NO. 438, January 11, 1995]

PRESCRIBING THE GUIDELINES ON THE PURCHASE OF EQUIPMENT

1.0 Objectives

This Circular is being issued to prescribe guidelines on the acquisition of equipment in the national government with the following objectives:

- 1.1 Simplify and improve procedures in the purchase of equipment; and
- 1.2 Enable heads of agencies to acquire necessary equipment in time for the implementation of their respective programs and projects.

2.0 Definition of "Equipment"

For purpose of this Circular, "equipment" shall refer to those items provided under Section 378 of the Standard Government Chart of Accounts (SGCA) which includes furniture, fixtures, transport equipment, other equipment and books, the cost of which shall not be lower than the minimum amount prescribed by COA, whose serviceable life is more than one year and which add to assets of the government.

3.0 Preparation of Equipment Procurement Program

3.1 All agencies with programmed equipment outlays shall prepare an Annual Equipment Procurement Program (AEPP). The AEPP shall be part of the Work and Financial Plan that is annually submitted at the start of the fiscal year to the Department of Budget and Management for evaluation and approval. In the case of SUCs, the Regional Offices of DECS and DOH and Integrated Area Development Projects (IADPs), the AEPP shall be submitted to the DBM Regional Offices concerned.

3.2 In the preparation of the AEPP, the following guidelines shall be strictly adhered to:

- 3.2.1 The AEPP shall be based on the programmed equipment outlay authorized in the General Appropriations Act, net of reserves, if any.
- 3.2.2 Equipment intended for replacement of unserviceable items shall be supported by an Inventory and Inspection Report of Unserviceable Property as approved by the Agency Resident Auditor.