

Department of Education
Region VII, Central Visayas
DIVISION OF CEBU PROVINCE
IPHO Building, Sudlon, Lahug, Cebu City



March 27, 2017

Division Memorandum
No. 209 s. 2017

REVISED GUIDELINES ON THE USE OF THE SPECIAL EDUCATION FUND

To: Assistant Superintendents
Education Supervisors/Coordinators
District Supervisors/OICs
Elementary and Secondary School Heads

1. Attached herewith is Regional Memorandum No. 179, s. 2017 dated March 16, 2017 entitled, "**Revised Guidelines on the Use of the Special Education Fund.**"
2. Please refer to the attachment for more information.
3. Immediate and wide dissemination of this Memorandum is directed.


RHEA MAR A. ANGTUD, Ed.D, CESO VI
Schools Division Superintendent

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REPUBLIKA NG PILIPINAS
REPUBLIC OF THE PHILIPPINES
KAGAWARAN NG EDUKASYON
DEPARTMENT OF EDUCATION
REHIYON VII, GITNANG VISAYAS
REGION VII, CENTRAL VISAYAS
Sudlon, Lahug, Cebu City



MAR 16 2017

REGIONAL MEMORANDUM

No. **0179**, s. 2017

Revised Guidelines on the Use of the Special Education Fund

**TO: All Schools Division Superintendents/OICs
All Others Concerned**

1. For the information and guidance of all concerned, enclosed is DepEd Order No. 10, s. 2017, regarding the **Revised Guidelines on the Use of the Special Education Fund** with reference to Joint Circular (JC) No. 1, s. 2017 issued by the Department of Education (DepEd), Department of Budget and Management (DBM), and Department of Interior and Local Government (DILG).
2. Attention is invited to paragraphs 2 and 3 of the said Order, relative to the purpose of the revised guidelines, the detailed schedule of activities on the preparation and approval of the SEF budget for the ensuing year and the list of reportorial requirements for submission to the DepEd – Central Office.
3. Further, all Schools Division Superintendents are hereby directed to secure a copy of DepEd Order No. 10, s. 2017 and ensure compliance with its instructions. A copy of the said Order and other related documents are herewith attached for reference.
4. Immediate dissemination of this Memorandum is enjoined.


JULIET A. JERUTA
Director III
OIC-Regional Director

RD
ARV

Office of the Director (ORDir), Tel. Nos.: (032) 231-1433; 231-1309; 414-7399; 414-7325; Office of the Assistant Director, Tel. No.: (032) 255-4542
Field Technical Assistance Division (FTAD), Tel. Nos.: (032) 414-7324 Curriculum Learning Management Division (CLMD), Tel. Nos.: (032) 414-7323
Quality Assurance Division (QAD), Tel. Nos.: (032) 231-1071 Human Resource Development Division (HRDD), Tel. No.: (032) 255-5239
Education Support Services Division (ESSD), Tel. No.: (032) 254-7062 Planning, Policy and Research Division (PPRD), Tel. Nos.: (032) 233-9030;
414-7065 Administrative Division, Tel. Nos.: (032) 414-7326; 414-4367; 414-7366; 414-7322; 414-4367
Finance Division, Tel. Nos.: (032) 256-2375; 253-8061; 414-7321

“ EFA 2015: Karapatan ng Lahat, Pananagutan ng Lahat ”



Republic of the Philippines
Department of Education

03 MAR 2017

DepEd ORDER
 No. **10**, s. 2017

REVISED GUIDELINES ON THE USE OF THE SPECIAL EDUCATION FUND

To: Undersecretaries
 Assistant Secretaries
 Bureaus and Services Directors
 Regional Directors
 Schools Division Superintendents
 Public Secondary School Heads
 All Others Concerned

1. For the information and guidance of all concerned, enclosed is a copy of Joint Circular (JC) No. 1, s. 2017, on the **Revised Guidelines on the Use of the Special Education Fund (SEF)** issued by the Department of Education (DepEd), Department of Budget and Management (DBM) and Department of Interior and Local Government (DILG).

2. The purpose of the revised JC is to update the policies and guidelines contained in previous JCs of the DepEd, DBM, and DILG (JC No. 1, s. 1998, JC No. 1-A s. 2000, JC No. 1-B, s. 2001, and JC No. 4, s. 2001) on the use and purpose of the SEF as provided under Republic Act No. 7160 or the Local Government Code (LGC) of 1991 and its Implementing Rules and Regulations (IRR).

3. Section 5.5 of the JC details the schedule of activities on the preparation and approval of the SEF budget for the ensuing year. All reportorial requirements for submission to the DepEd Central Office (CO), as listed in the table below, shall be addressed to the **Office of the Undersecretary for Finance-Budget and Performance Monitoring (BPM)**, 2nd Floor, Rizal Building, DepEd Complex, Meralco Avenue, Pasig City with telephone nos.: (02) 633-9342 and (02) 638-3703.

Reportorial Requirement for Submission to DepEd CO	Person Responsible	Indicative Timeline
Report covering the period of January 1 to December 31 of the preceding year	DepEd Schools Division Superintendents (SDSs)	<ul style="list-style-type: none"> Not later than March 31 of the current year
Approved SEF budgets	DepEd SDSs	<ul style="list-style-type: none"> Not later than December 31 of the current year
Quarterly and annual reports using SEF Budget Accountability Form No. 1 (Annex B) on SEF utilization, prepared by the Local Accountant	Local School Board (LSB)	<ul style="list-style-type: none"> For quarterly reports, not later than the 20th day after the end of the quarter For annual reports, not later than the 15th day of February of the following year

4. Section 7.0 of the JC states that issues for resolution shall be referred to the DepEd CO for final resolution by the DepEd, DBM, and DILG. Such issues and all other concerns related to the SEF shall be addressed to the **Office of the Assistant Secretary for Legislative Liaison**, Ground Floor Rizal Building, DepEd Complex, Meralco Avenue, Pasig City at telephone nos. (02) 633-7224; (02) 631-9641; and (02) 633-1940.

5. Immediate dissemination of this and strict compliance with Order is directed.


LEONOR MAGTOLIS BRIONES
Secretary

Encl.:

As stated

Reference:

DepEd Order No. 38, s. 2015

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

BUREAUS AND OFFICES
EXPENSES
FUNDS
LEGISLATIONS
OFFICIALS
POLICY
SPECIAL EDUCATION

R-MCR DQ-Revised Guidelines on the Use of SEF
0118/February 4/28, 2017



**DEPARTMENT OF EDUCATION (DEPED)
DEPARTMENT OF BUDGET AND MANAGEMENT (DBM)
DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT (DILG)**

Joint Circular (JC) No. 1, s. 2017

TO : ALL PROVINCIAL GOVERNORS, CITY AND MUNICIPAL MAYORS, SCHOOLS DIVISION SUPERINTENDENTS (SDS), PUBLIC SCHOOL DISTRICT SUPERVISORS (PSDS) AND SCHOOL HEADS, MEMBERS OF THE LOCAL SCHOOL BOARDS (LSB), AND OTHER NATIONAL AND LOCAL GOVERNMENT OFFICIALS CONCERNED

SUBJECT : REVISED GUIDELINES ON THE USE OF THE SPECIAL EDUCATION FUND (SEF)

1.0 Background

Under Republic Act (RA) No. 7160 (Local Government Code [LGC] of 1991), a province or city, or a municipality within the Metropolitan Manila Area, may levy and collect an annual tax of one percent (1%) on the assessed value of real property in addition to the basic real property tax. The additional 1% tax on real property collected in the province is shared equally by the province and the municipality within its territorial jurisdiction. On the other hand, cities keep all of their collection. The proceeds from this special levy accrue to the SEF and are automatically released to the LSBs.

The SEF provides the source of funds for the supplementary annual budgetary needs for the operation and maintenance of public schools within the province, city, or municipality through an annual SEF Budget. The formulation, approval, and utilization of the SEF Budget are the responsibility of the individual LSB in each province, city or municipality.

Previous circulars jointly issued by the DepEd, DBM, and DILG provide the general guidelines on the use of the SEF in implementation of RA No. 7160. Given the observed practices in the utilization of the SEF and current developments in the basic education sub-sector, particularly the K to 12 and early childhood care and development (ECCD) programs, there is a need to

reiterate and refocus the policies on the use of the SEF to better support the supplementary budgetary needs of schools¹ and learning centers.²

2.0 Purpose

- 2.1 To update the policies and guidelines contained in previous JCs of the DepEd, DBM, and DILG (JC No. 1 s. 1998, JC No. 1-A s. 2000, JC No. 1-B s. 2001 and JC No. 4 s. 2001) on the use and purpose of the SEF as provided under RA No. 7160 and its Implementing Rules and Regulations (IRR); and
- 2.2 To ensure a more strategic and efficient utilization of resources for priority programs and projects which would complement as well as reinforce, the budgeting priorities at the different levels of decision-making.

3.0 Legal Bases on the Use of the SEF

3.1 Section 272 of RA No. 7160 provides that the SEF shall be allocated to the following:

- 3.1.1 Operation and maintenance of public schools.
- 3.1.2 Construction and repair of school buildings.
- 3.1.3 Facilities³ and equipment;
- 3.1.4 Educational research;⁴
- 3.1.5 Purchase of books⁵ and periodicals;⁶ and
- 3.1.6 Sports development.

3.2 Further, Section 100 (c) of the same law provides that the annual school board budget shall give priority to the following

¹ An educational institution, private or public, undertaking educational work, whether or not it is a school, for the purpose of providing instruction to pupils or students pursuing defined educational courses, and which is housed in a building or group of buildings, in a particular physical environment, as defined in Section 100 (a) of the *Enhanced Basic Education Act*.

² Refers to a physical space to house learning resources and facilities of a learning program for out-of-school youth and adults. It is a venue for face-to-face learning activities and other learning opportunities for community development and improvement of the people's quality of life. This may also be referred to as "*Community Learning Center*" authorized or recognized by the DepEd Source: IRR for RA No. 10533 (*Enhanced Basic Education Act of 2013*)

³ All physical properties of a school, consisting of the grounds, buildings and the various facilities within the school grounds and inside the school buildings, i.e., school sites, school buildings, school furniture and equipment.

⁴ A variety of research methods, which seeks to evaluate/investigate different aspects of education including, but not limited to, student learning, teaching methods, teacher training, and classroom dynamics and behavioral patterns in pupils/students, teachers, and other stakeholders in schools.

⁵ A printed non-periodical publication of at least forty-eight (48) pages, exclusive of cover pages, published in the country and made available to the public.

⁶ Published work that appears in a new edition on a regular schedule, such as, but not limited to, newspapers, magazines, newsletters, literary journals or learned journals, or yearbooks

3.3.1 Construction, repair, and maintenance of school buildings and other facilities of public elementary and secondary schools;

3.3.2 Establishment and maintenance of extension classes where necessary; and

3.3.3 Sports activities at the division, district, municipal, and barangay levels.

3.4 Section 7 (b) of RA No. 10410, otherwise known as the "Early Years Act of 2013", provides that LGUs shall include allocations from their SEF for the ECCD Program

4.0 Allowable Expenses Chargeable Against the SEF

4.1 In all instances, the allocation for the following expenditure items chargeable against the SEF **shall be net of the budgetary provision for the same or related item(s) in the budget for the DepEd and the ECCD Council**, and that which may be funded out of the Special Purpose Funds :

4.1.1 Operation and maintenance of public schools:

4.1.1.1 Payment of compensation/allowances of teachers locally-hired in elementary and secondary schools identified to have shortages per the teacher deployment analysis of DepEd; the rates of compensation/allowances shall be determined by the LSB based on funds available, but not to exceed the salary schedule being implemented by the local government unit (LGU) concerned. Provided, that for the purpose of hiring teachers chargeable against the SEF, the LSB in each province, city or municipality shall utilize the list found in the Registry of Qualified Applicants (RQA)⁷;

4.1.1.2 Payment of salaries/wages of utility workers and security guards hired in public elementary and secondary schools which have not been provided such position in the DepEd budget; and

4.1.1.3 Payment of expenses pertaining to the operation of schools, which may include utilities and communication expenses.

⁷ Official list of applicants who obtained an overall score of seventy (70) points and above, based on the criteria set and as a result of the evaluation and selection processes of the DepEd

4.1.2 Construction and repair of school buildings

4.1.2.1 Construction, repair and maintenance of school buildings and other facilities for public elementary and secondary schools, which are deemed to have shortage of classrooms or of other facilities, as the case may be, per DepEd classroom deployment analysis, subject to existing standards/specifications set by DepEd and/or Department of Public Works and Highways, furthermore, this item shall be given priority in the SEF Budget and

4.1.2.2 Acquisition and titling of school sites.

4.1.3 Facilities and equipment:

4.1.3.1 Acquisition of laboratory, technical and similar apparatus and information technology equipment and corollary supporting services (e.g. internet connection, maintenance, etc.), subject to the prevailing requirements and specifications set by the DepEd

4.1.4 Educational research:

4.1.4.1 Educational research other than the research subject areas funded in the DepEd budget, subject to the prevailing policies and guidelines of the DepEd

4.1.5 Purchase of books and periodicals.

4.1.5.1 Purchase of library books and periodicals for the libraries of the different elementary and secondary schools in the province, city, and municipality, and purchase of instructional materials, workbooks and textbooks needed by public elementary and secondary schools subject to the prevailing policies and guidelines of the DepEd

4.1.6 Sports development:

4.1.6.1 Expenses for school sports activities at the national, regional, division, district, municipal and barangay levels, as well as for other DepEd related activities, subject to the prevailing requirements and specifications set by the DepEd.

4.1.7 Funding for the ECCD Program, particularly for the following purposes:

- 4.1.7.1 Direct services related to the implementation of the ECCD program, such as salaries/allowances of locally-hired Child Development Teachers and/or Day Care Workers, etc..
- 4.1.7.2 Organization and support of parent cooperatives to establish community-based ECCD programs
- 4.1.7.3 Provision of counterpart funds for the continuing professional development of ECCD public service providers;
- 4.1.7.4 Provision of facilities for the conduct of the ECCD Program, and
- 4.1.7.5 Payment of expenses pertaining to the operations of National Child Development Centers, including, but not limited to, utilities (*i.e.* electricity and water expenses) and communication (*i.e.* telephone expenses).

5.0 Planning and Budgeting for the SEF

- 5.1 The LSB shall formulate a three-year program indicating strategic prioritization policies in the allocation of the SEF to schools taking into consideration equitable sharing, priority needs and such factors as enrollment ratio, distance of the schools, performance, drop-out rate, and location of schools, as well as the goals and objectives of the LGU's Comprehensive Development Plan (CDP), and the expenditures, programs, projects and activities in the LGU's Local Development Investment Program (LDIP) prior to the formulation and preparation of its Annual Budget for the incoming year. It is understood that the DepEd representative to the LSB shall be responsible for coordinating municipal/city school plans with that of the province and ensuring that the School Improvement Plan (SIP) and the Division Education Development Plan (DEDP) are formulated collaboratively with the stakeholders in the community.
- 5.2 The LSB in each province, city, or municipality shall be responsible for the preparation and approval of the annual budgetary requirements of the public schools based on the DepEd-approved SIP and DEDP in the implementation of ECCD Program, kindergarten, elementary and secondary, formal and non-formal education programs, chargeable to their respective SEFs

- 5.2.1 All expenditure items to be included in the SEF Budget shall be among those provided under Section 4.0 hereof and contained in the approved SIP and DEDP.
- 5.2.2 The SEF Budget shall be presented by program, activity and project (P/A/P), by allotment class and per school using SEF Budget Preparation Form No. 1 (Annex A).
- 5.2.3 The provincial SEF Budget shall, as much as possible, fill the funding gap in the needs of all the public schools covered by the province.
- 5.2.4 The corollary budget allocation shall be complementary to the budget of the national programs.
- 5.3 The LSB shall consider the following in the preparation of the SEF Budget:
 - 5.3.1 Recommendation of the DepEd PSDS and SDS as well as the priorities indicated in the SIPs and DEDPs vis-à-vis the information from the DepEd Regional Office (RO) on the allocation of each school from the National Budget for the current year and the ensuing year as contained in the National Expenditure Program.
 - 5.3.2 The report of the school heads on the state of education at the start of every school year, which will provide an annual progress report on the SIP and cover, among others, the basic education performance indicators and audited financial reports of his/her school, including funds it received during the previous school year from national, local, and community-based sources, as well as the disposition of these funds, and
 - 5.3.3 The relevant expenditures, P/A/Ps of the current LDIP and Annual Investment Program of the LGU.
- 5.4 The approval of the SEF Budget shall be through an LSB Resolution signed by the Chair and Co-Chair and majority of all its members pursuant to Section 100 (b) of RA No. 7160.
- 5.5 The preparation and approval of the SEF Budget for the ensuing year shall be guided by the following schedule of activities:

Activities	Person/s Responsible	Indicative Timelines
<p>Submit a report covering the period January 1 to December 31 of the preceding year to the LSB and DepEd Central Office (CO) containing the following information:</p> <ol style="list-style-type: none"> 1. Amount of resources allocated to the individual schools from the annual appropriations of the national government (DepEd budget, allocation from the SPFs, and from other items); 2. Results of analysis of teacher shortage or teacher : student ratio by school; 3. Schedule of construction of classroom by school from all sources / funds; and 4. Indicators of school performance including National Achievement Test (NAT) results and drop-out rates. 	DepEd SDS	Not later than March 31 of the current year
<p>Submission to the LSB of the certified statement containing the following:</p> <ol style="list-style-type: none"> 1. actual SEF Income for the immediately preceding fiscal year; 2. actual SEF income for the first two quarters of the current year; 3. the estimated SEF income for the last two quarters of the current year; and 4. the annual estimates for the ensuing year. 	Local Treasurer and Local Accountant	Not later than July 15 of the current year
<p>Formulate and issue budget prioritization policies and tentative budget ceilings per municipality/city/province thru a Budget Call</p>	LSB	Not later than July 31 of the current year

Activities	Person/s Responsible	Indicative Timelines
Submission by elementary and secondary schools of requests for funding for the ensuing budget year to the DepEd PSDS (for municipal school boards) or the SDS concerned (for city school boards);	Heads of elementary (including kindergarten) and secondary schools	Not later than August 31 of the current year
Consultation / Discussion / Hearing with schools concerned and other stakeholders;	DepEd PSDS and SDS	September 1 to September 30 of the current year
Consolidation of budget requests from all schools in the LGU (city / municipality) for the ensuing budget year.		
Review and approval of the SEF Budget by for the ensuing year through an LSB Resolution approved by the majority of all LSB members.	Municipal/City LSB	Not later than October 31 of the current year (Earlier approval of SEF Budget for municipalities will allow Provincial LSBs to consider augmentation to municipalities in the review of the provincial SEF Budget)
Submission of the following to the Provincial LSB: 1. Consolidated approved municipal/city SEF Budgets; and 2. List of proposals not funded in the municipal/city SEF Budgets	DepEd SDS	Not later than seven (7) days after the approval of the SEF Budget
Review of proposals not funded in the approved SEF Budget of the City/Municipality taking into consideration the priorities contained in the DEDP.	Provincial LSB	Not later than November 30 of the current year
Approval of the Provincial SEF Budget by Province through an LSB Resolution approved by the majority of all LSB members.		

Activities	Person/s Responsible	Indicative Timelines
Submission of approved SEF Budgets to DepEd Central Office	DepEd SDS	Not later than December 31 of the current year

6.0 Monitoring, Transparency and Accountability in the Allocation and Utilization of the SEF

6.1 To promote and enhance transparency and accountability in the allocation and utilization of the SEF, the parties concerned shall comply with the following:

Activities and Documents	Person/s Responsible	Indicative Timelines
Furnish the Local Budget Officer, the Local Accountant, and the Local Treasurer a copy of the SEF Budget as basis for disbursement or certification of availability of funds and for recording purposes	LSB	Not later than seven (7) days after the approval of the SEF Budget
Submit quarterly and annual reports using the SEF Budget Accountability Form No. 1 (Annex B) on SEF utilization, as prepared by the Local Accountant, to the DepEd CO, through appropriate channels, copy furnished the local sanggunian concerned and Regional Offices of the DBM and DILG.	LSB	For quarterly reports, not later than the 20 th day after the end of the quarter and for annual reports, not later than the 15 th day of February of the following year
The appropriate DepEd offices shall prepare the consolidated provincial and regional reports.	DepEd representative in the LSB	
Post the utilization report of the SEF Budget in the website of the LGU and/or in at least three (3) conspicuous public places for transparency and accountability in compliance with the Full Disclosure Policy of the DILG	LSB	Pertinent deadline consistent with the Full Disclosure Policy of the DILG

6.2 It is understood that the utilization and disbursement of the SEF shall be in accordance with existing budgeting, accounting, and auditing rules and regulations.

6.3 Procurement charged to SEF shall follow the rules and procedures under RA No. 9184 (Government Procurement Reform Act), its IRR and Government Procurement Policy Board guidelines.

7.0 Issues for Resolution

Interpretation of the provisions in this JC, including cases not covered herein shall be referred to the DepEd – Central Office for final resolution by the DepEd, DBM and DILG.

8.0 Separability Clause


If, for any reason, any part or provision of this JC is declared invalid or unconstitutional, any part or provision not affected thereby shall remain in full force and effect.

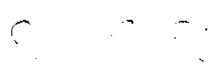
9.0 Repealing Clause


All circulars on SEF that are not consistent with this JC are hereby repealed or amended accordingly.

10.0 Effectivity

This JC shall take effect immediately upon publication


LEONOR MAGTOLIS BRIONES
Secretary
Department of Education


BENJAMIN E. DIOKNO
Secretary
Department of Budget and Management




ISMAEL D. SUENO
Secretary
Department of the Interior and Local Government



January 19, 2017

SEF Budget Preparation Form No. 1

INCOME AND EXPENDITURE ESTIMATES FOR FY _____

Provincial City Municipal School Board of
 Province City Municipality
 (In P000)

Estimated Income for Budget Year	xxx
Additional One Percent (1%) Tax on Real Property	xxx
Add: Previous Years Unexpended Balances (including Continuing Appropriation)	xxx
TOTAL	xxx
Less: Continuing Appropriation	xxx
Net Amount Available for Appropriation	xxx

Proposed Expenditures for Budget Year

Rank	Program/Project/Activity *	Personal Services	Maintenance and Other Operating Expenses	Capital Outlays	Total
Total Expenditures for BY _____		xxx	xxx	xxx	xxx
Balance/Deficit					xxx

Prepared by:

Division Superintendent/Supervisor
 Co-Chairman, I.S.B.

REPORT of SEF UTILIZATION
For the Quarter Ending __

Province/City/Municipality _____

Receipt from SEF P _____

Less : **DISBURSEMENTS** (broken down by expense class and by object of expenditures)

Personal Services

Maintenance and Other Operating Expenses

Capital Outlays

Financial Expenses

Sub-total _____
Balance **P** _____

Prepared by:

Local Accountant

Approved by:

LCU Chairman / ISB