



Republic of the Philippines
Department of Education
REGION VII – CENTRAL VISAYAS
DIVISION OF CEBU PROVINCE

Office of the Schools Division
Superintendent

November 25, 2020

DIVISION MEMORANDUM

No. 258, s. 2020

**SUBMISSION OF REPORT ON THE PHYSICAL COUNT OF INVENTORIES (RPCI) AND
THE REPORT ON THE PHYSICAL COUNT OF PROPERTY, PLANT
AND EQUIPMENT (RPCPPE)**

To: Public Schools District Supervisors/OICs
Elementary and Secondary School Heads
District and Secondary School Property Custodians

1.) Due to the existence of the virus that hinders the submission of reports on Inventory of Properties (RPCI) you are instructed to send through e-mail at depedcebuprovsupplysec@gmail.com the following reports:

- a.) Report on the Physical Count of Inventories (RPCI) on all items costing below PhP 15,000.00 procured through government funds and/or supplied by other government agencies, on all properties/items with serviceable life of more than 1 (one) year but small enough to be considered as property, plant and equipment

Example: RPCI

Stapler life span 2 years (per COA Circular No. 2005-002) dated April 14, 2005, if purchased January 1, 2019 at PhP 100.00/unit remaining amount after 1 year January 1, 2020)

Stapler = 100.00 per unit (to be place under column unit value)

Life Span = 2 years per attached COA Circular No. 2005-002 dated April 14, 2005

Date Purchased = January 02, 2019

No. of years used = 1

Computing the depreciated cost:

Amount = Acquisition Cost – Depreciation

Where Depreciation = $\frac{\text{Acquisition}}{\text{Life Span}} \times \text{No. of years used}$

Amount = $100.00 - \frac{100.00}{2} \times 1$

= 50.00 (to be places under column value)

- b.) This report is required to be submitted to the auditor concerned not later than July 31 and January 31 of each year for the 1st and 2nd semesters respectively.

- 2.) Report on the Physical Count of Property, Plant and Equipment (RPCPPE) on all properties costing above Php 15,000.00 per unit with useful life for the period July to December 2020.

This report shall be submitted to the Inventory Committee the Report on the Physical Count of Property, Plant and Equipment by type such as Heavy Equipment, Technical and Scientific Equipments, Motor Vehicles, Office Equipments, Furniture & Fixtures, etc. It shall be prepared yearly in three (3) copies, certified correct by the Inventory Committee and approved by the Head of the Agency and shall be submitted to the Auditor concerned not later than January 31 of each year.

Example:

Amount = Acquisition – Depreciation

Where Depreciation = $\frac{\text{Acquisition}}{\text{Life Span}} \times \text{no. of years used}$

DepEd Building, three (3) storey, six (6) classrooms

Date Constructed/Completed = January 2, 2019

No. of years used = 1 year

Life Span = 30 years per enclosed copy of COA Circular No. 2003-007, dated December 11, 2003

Amount of Construction = PhP 12,000,000.00 (to be placed under column unit value)

Amount = $\text{PhP } 12,000,000.00 - \left[\frac{12,000,000.00}{30} \right] \times 1$

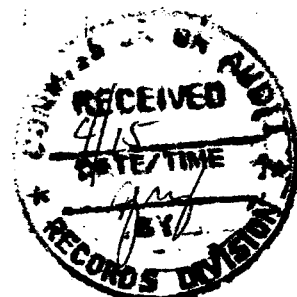
= 11,600,000.00 (to be placed under column value)

- 3.) Please e-mail these reports the soonest possible time, so that consolidation of the Division Office can also be done on time.
- 4.) Enclose is a copy of COA Circular No. 2005-002 dated April 14, 2005, as well as the table of useful life of property, plant and equipment per COA Circular No. 2003-007 dated December 11, 2003.


MARILYN S. ANDALES, Ed.D., CESO V
Schools Division Superintendent



Republic of the Philippines
COMMISSION ON AUDIT
Commonwealth Avenue, Quezon City



CIRCULAR

No. : 2005 - 002

Date: APR 14 2005

TO: All Heads of National Government Agencies, Local Government Units and Government Owned and/or Controlled Corporations; Heads of Financial Management Services/Comptrollership Departments, Heads of Accounting Units; Heads of Budget Units; COA Assistant Commissioners, Directors, Auditors; and All Others Concerned

SUBJECT: **ACCOUNTING POLICY ON ITEMS WITH SERVICEABLE LIFE OF MORE THAN ONE YEAR BUT SMALL ENOUGH TO BE CONSIDERED AS PROPERTY, PLANT AND EQUIPMENT**

1.0 RATIONALE/OBJECTIVE

Section 2 (2), Article IX-D of the 1987 Philippine Constitution mandates the Commission on Audit to "*xxx promulgate accounting and auditing rules and regulations xxx*"

In line with this mandate, this Commission hereby sets forth the policy by which government assets may be categorized as Property, Plant and Equipment (PPE) and as Inventories.

2.0 POLICY

2.1 The New Government Accounting System (NGAS) adopts the definition of Property, Plant and Equipment under the International Accounting Standards No. 16 which states that:

"Property, Plant and Equipment are tangible assets that:

- (a) are held by an enterprise for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and*
- (b) are expected to be used during more than one period."*

2.2 However, there are tangible assets with serviceable life of more than one year but small enough to be considered as PPE. To address this issue, the Commission hereby prescribes the following policies:

2.2.1 Small tangible items with estimated useful life of more than one year shall be recorded as inventories upon acquisition and as expense upon issuance. The list of these items with corresponding estimated useful life is attached as Annex A, hereof.

2.2.2 Other tangible assets not included in the list per Annex A shall be classified as PPE, subject to depreciation.

2.3 For monitoring, control and accountability, an Inventory Custodian Slip (ICS), attached as Annex B, shall be prepared upon issuance of small tangible items covered by approved Requisition and Issue Slip (RIS).

3.0 IMPLEMENTING GUIDELINES AND PROCEDURES

The Government Accounting and FMIS (GAFMIS), this Commission, shall prepare the necessary guidelines and procedures to implement this policy.

4.0 SAVING CLAUSE

Cases not covered in this Circular shall be referred to GAFMIS, COA for resolution.

5.0 REPEALING CLAUSE

All issuances inconsistent herewith are amended or repealed accordingly.

6.0 EFFECTIVITY

This Circular shall take effect July 1, 2005.


GUILLERMO N. CARAGUE
Chairman

ANNEX A

**LIST OF TANGIBLE ASSETS THAT MAY BE CONSIDERED AS
INVENTORIES**

Description		Economic Useful Life (in years)
A. Office Supplies		
1	Black board/White board	5
2	Copy Holder, clamp type with adjustable arm	5
3	Cutter	5
4	Desk tray	3
5	Eraser - blackboard	3
6	Mechanical Pencil	2
7	Mini Calculators	3
8	Pen	2
9	Pencil Sharpener	3
10	Puncher	5
11	Ruler	3
12	Scissors	3
13	Sharpener	3
14	Staple wire remover	2
15	Stapler	2
16	Tape Dispenser	3
B. Animal/Zoological Supplies		
17	Cage	3
18	Chopping Board	2
19	Cooking Pot	3
20	Feeders	3
21	Kitchen Knife	3
22	Net	2
23	Padlock	3
24	Plastic Pails	2
25	Waterer	3
26	Water Jug	2
27	Water Hose	2
C. Medical, Dental, and Laboratory Supplies		
28	Ambo Bag	3
29	Baking Pan	5
30	Basin (kidney, et al)	3
31	Bed Sheets	1
32	Blade Holder	3
33	Chart Holder	3

Description		Economic Useful Life (in years)
34	Clamp, towel	5
35	Depressor, tongue	3
36	Dressing Jar	3
37	Elevator, Langeback, Pereosteal	5
38	Enema Can	5
39	Flashlight	3
40	Footstool	5
41	Forceps	5
42	Gowns (Laboratory)	3
43	Kerosene Lamp	2
44	Kettle	3
45	Knife	3
46	Needle Holder	5
47	Obstetrical Set	5
48	Scissors	3
49	Steam Inhalator	5
50	Tong	3
51	Tracheotomy Tube	3
52	Tray	3
53	Tackle Box	5
54	Utility Cart	5
55	Utility Stand	5
56	Vice Grip	5
57	Waste Basket	3
58	Water Jug	1
59	Weighing Scale	5
60	White Board	5
61	Amalgam Carrier	5
62	Bone Chisel	5
63	Bone File	3
64	Dental Straight Stout Elevator	5
65	Dental Syringe	3
66	Excavator, Dental double end	5
67	Explorer, Dental periosteal	5
68	Mouth Mirror	3
69	Mortar and Pestle	5
70	Plastic Instruments for Gum Separator	3
71	Plugger, Amalgam	3
72	Scaler	5
73	Screen Protector	5
74	Surgical Mallet	3

Description		Economic Useful Life (in years)
D. Textbook and Instructional Materials		
75	Textbooks	5
76	Instructional Materials	2
E. Military and Police Supplies		
77	Ammo Magazine	3
78	Anti-Riots Helmets	5
79	Badge	3
80	Bayonet	3
81	Beret	3
82	Blanket	3
83	Boots	3
84	Bullet Proof Vest	5
85	Collapsible Barracks	5
86	Combat Shoes	3
87	Compass	3
88	Flashlight	3
89	Gun Holster	5
90	Handcuffs	5
91	Hunting Knife	5
92	Jungle Bolos	5
93	Medical Aidman Kit	3
94	Mosquito Net	3
95	Night Vision Goggle	3
96	Pillow and Pillow Case	3
97	Pistol Belt	3
98	Probaton	3
99	Protective Shields (CDM)	3
100	Radio Battery Pack	3
101	Raincoats	3
102	Steel Helmet	5
103	Sword	5
104	Telescope	5
105	Tent	3
106	Truncheons	5
107	Water Canteen	3
F. Other Supplies		
Computer Peripherals		
108	Computer cover	2
109	Computer Screen	5

Description		Economic Useful Life (in years)
110	Diskette Storage	2
111	Mouse	2
112	Mouse Pad	2
113	Printer Cable	5
114	Printer Head	5
115	Printer sharing device	5
116	Surge Protector	5
	Common Janitorial Supplies	
117	Dust pan	2
118	Mop handle	2
119	Pail	2
120	Trash Can	5
121	Wastebasket	5
	Other Inventory Items	
122	Tea Set	3
123	Cups and Saucers	3
124	Desk Tray	3
125	Dinner plates	3
126	Emergency light	3
127	Rugs, carpets and mats	5
128	Spoon and forks	5
129	Stool	5
130	Pitcher and Glass Confectionary	3
	Hardware and Construction Supplies	
131	Hammer	5
132	Saw	5
133	Plane	5
134	Paint roller	1
135	Paint brush	1
136	Chisel	5
137	Long nose pliers	5
	Electrical Supplies	
138	Extension Cord	2
	G. School Chairs, Desks and Tables (Wood)	
139	Chairs	5
140	Desks	5
141	Tables	5

Description		Economic Useful Life (in years)
H. Monobloc Furniture		
142	Chairs	5
143	Tables	5



Republic of the Philippines
COMMISSION ON AUDIT
Commonwealth Avenue, Quezon City

INVENTORY CUSTODIAN SLIP				
				ICS No.: _____
Quantity	Unit	Description	Inventory Item No.	Estimated Useful Life

<p>Received by:</p> <p>_____</p> <p style="text-align: center;">Signature Over Printed Name</p> <p>_____</p> <p style="text-align: center;">Position/Office</p> <p>_____</p> <p style="text-align: center;">Date</p>	<p>Received from:</p> <p>_____</p> <p style="text-align: center;">Signature Over Printed Name</p> <p>_____</p> <p style="text-align: center;">Position/Office</p> <p>_____</p> <p style="text-align: center;">Date</p>
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For Use of Property Unit

INVENTORY CUSTODIAN SLIP (ICS)

INSTRUCTIONS

- A. This form shall be accomplished as follows:
1. **Agency logo and letterhead** – name, address and logo of the agency
 2. **ICS No.** – assigned control number
 3. **Quantity** – number of units given to the concerned employee or user of the inventory item with estimated useful life of more than one year
 4. **Unit** – unit of measurement
 5. **Description** – brief description or details of the items issued to the concerned employee, including serial number in case of equipment with serial number
 6. **Inventory Item No.** – assigned property number of the inventory item issued
 7. **Estimated Useful Life** – estimated useful life of the item issued
- B. The ICS shall be prepared in two copies distributed as follows:
Original – Supply and Property Unit
Duplicate Copy – Recipient or user of the inventory
- C. This form shall be signed and dated by the designated Property Officer on the "*Received from*" portion and the recipient or user of the inventory shall acknowledge receipt by signing on the "*Received by*" portion.

TABLE 2. TABLE OF ESTIMATED USEFUL LIFE OF PROPERTY, PLANT AND EQUIPMENT per COA Circular No. 2003-007 dated December 11, 2003

TABLE OF ESTIMATED USEFUL LIFE
OF PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment	Estimated Useful Life (in years)
Land Improvements	
• Land Improvements	10
• Runways/taxiways	20
• Railways	40
• Electrification, Power and Energy	
• Structures	10
Buildings - those that are predominantly	
• Wood	10
• Mixed	20
• Concrete	30
Leasehold Improvements (Note I)	
• Land	10
• Building	
• Wood	10
• Mixed	20
• Concrete	30
Office, Equipment, Furniture and Fixtures	
• Office Equipment	5
• Furniture and Fixtures	10
• IT Equipment-Hardware	5
• Library Books	5
Machineries and Equipment	
• Machineries	10
• Agricultural, Fishery and Forestry	10
• Airport Equipment	10
• Communication Equipment	10
• Construction and Heavy Equipment	10
• Firefighting Equipment and	
• Accessories	7
• Hospital Equipment	10
• Medical, Dental and Laboratory Equipment	10
• Military and Police	

· Other Machineries and Equipment	10
Transportation Equipment	
· Motor Vehicles	7
· Trains	10
· Aircraft and Aircraft Ground	
· Equipment	10
· Watercrafts	10
· Other Transportation Equipment	10
Other Property, Plant and	
Equipment	5

Note

- I - The estimated useful life shall depend on the length of the lease. It shall be the period of the lease or the estimated useful life of the assets, as given, whichever is shorter.