



Republic of the Philippines
Department of Education
 MIMAROPA REGION

SCHOOLS DIVISION OF OCCIDENTAL MINDORO



Office of the Schools Division
 Superintendent

DIVISION MEMORANDUM

000381

To : **OIC, Assistant Schools Division Superintendent
 CID and SGOD Chiefs
 All Elementary and Secondary School Heads
 All Others Concerned**

From : **LYNN G. MENDOZA**
 OIC, Office of the Schools Division Superintendent

Subject : **COMPOSITION OF THE DIVISION DISPOSAL
 COMMITTEE AND UNIFORM PROTOCOL PROCEDURES ON
 DISPOSAL OF PROPERTY AND EQUIPMENT**

Date : October 13, 2022

Pursuant to DepEd Order No. 56, s. 1997 Reconstituting the DECS Disposal Committees, the Schools Division Office of Occidental Mindoro informs all offices/sections/units and schools about the composition of the **Division Disposal Committee**, with the corresponding roles and functions, as:

Division Disposal Committee:

Chairperson:	DR. DENNIS MICHAEL G. ABELEDA Administrative Officer V
Members:	MERRY ANN T. RAMIREZ Accountant III
	HERBERT R. MENDOZA Administrative Officer V (Supply Officer)

Technical Staff:

Books and Learning Materials	RAIZZA MARIE R. BUÑAG Librarian II
Building and Furniture	Engr. ERIC C. TAÑECA Engineer III
Equipment for Technology and Livelihood Education (TLE) and Technical-Vocational-Livelihood (TVL)	DR. MARY QUEEN T. BERNARDO Education Program Supervisor I (EPP/TLE/TVL)

ICTU/SVRI/10.13.2022



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ICT Equipment and DCP Package	SHERWIN VICTOR R. ILEDAN Information Technology Officer I
Appliances and Vehicle	FERDINAND M. ALCARAZ Education Program Specialist II (ALS)
Secretariat	KIM Z. SUMANGUID Administrative Assistant III (Supply Section) RENOSO Q. MENESES Administrative Aide VI (Supply Section)

The following are the roles and functions of the Division Disposal Team:

- a) Require the submission of the concerned offices/sections/units or schools its requests/reports of the assets to be disposed including the duly accomplished Waste Material Report (WMR), Inventory and Inspection Report of Unserviceable Property (IIRUP), and Inventory and Inspection Report of Unserviceable Semi-Expendable Property (IIRUSP), and all other necessary documents pertaining thereto;
- b) The Chairperson shall determine who among the Technical Staff will conduct the inspection of unserviceable property and determine whether the item is of value or not;
- c) The Technical Team shall set the final appraise values of all properties for disposal based on the existing government provisions related thereto and forward their report to the Division Disposal Team.
- d) The Division Disposal Committee shall inform the Office of the Commission on Audit, and recommend to the Schools Division Superintendent the mode of disposal as appropriate and deemed most advantageous to the government.
- e) The Secretariat shall safekeep and systematically file all Division Disposal Committee documents and records.

For widest dissemination, guidance and compliance.

JULY 28, 1997 – DO 56, S. 1997 – RECONSTITUTING THE DECS DISPOSAL COMMITTEES

July 28, 1997

DO 56, s. 1997

Reconstituting the DECS Disposal Committees

To: Bureau Directors

Regional Directors

Schools Superintendents

1. In line with the national government's policy to expedite the disposal of unserviceable, obsolete and/or excess equipment, supplies and materials and properties of the government to avoid further deterioration, especially those exposed to the elements, a Disposal Committee is hereby organized in all the regional and division offices of the DECS, as mandated in Executive Order No. 285, s. 1995 of the President of the Philippines, entitled "Reconstituting the Disposal Committee Created Under E.O, No. 285" (copy inclosed).
2. The Reconstituted Disposal committee shall be composed of the following:
 1. Regional Office
 - Chairman – Regional Director
 - Member – Regional Administrative Officer
 - Member – Head, Property Unit
 2. Division Office
 - Chairman – Schools Division Superintendent
 - Member – Division Administrative Officer
 - Member – Head, Property Unit
3. As envisioned in this Order, disposal shall refer to the manner or scheme of taking away, depriving, withdrawing of an authority, power of title. Disposal connotes divestment and/or withdrawal of such possession and title (Black's Law Dictionary, Rev. 4th Edition; Webster's New School/Office).
4. Pursuant to existing laws on the matter, the full and sole responsibility for the divestment or disposal of property and other assets owned by the DECS shall be lodged in the Disposal Committees, following the prescribed audit guidelines of the Commission on Audit (COA) as enumerated in COA Circular No. 89-296 dated January 27, 1989 (copy inclosed) and other issuances relative thereto, except Section VII on COA Role During Disposal. (Copy inclosed)
5. Strict compliance with this Order is desired.

Incls.:

As stated

Reference:

None

Allotment: 1—(D.O. 50-97)

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

COMMITTEES
LEGISLATIONS
OFFICIALS

COMMISSION ON AUDIT CIRCULAR NO. 89-296 January 27, 1989

TO : All Heads of Departments, Chiefs of Bureaus/Offices of the National Government, Provincial Governors, City Mayors, Heads of Local Government Units, Managing Heads of Government-Owned and/or Controlled Corporations including their Subsidiaries, COA Directors, Heads of National, Local and Corporate auditing units and all others concerned.

SUBJECT: Audit Guidelines on the Divestment or Disposal of Property and Other Assets of National Government Agencies and Instrumentalities, Local Government Units and Government-Owned or Controlled Corporations and their Subsidiaries.

I. PURPOSE: -

To achieve uniformity and consistency in the observance of audit procedures and to ensure facility in audit with respect to the divestment or disposal of property and other assets of all national government agencies/instrumentalities, local government units and government-owned and/or controlled corporations and their subsidiaries, this Circular prescribes audit guidelines on the matter.

II. RATIONALE: -

As a matter of national policy in support of its economic recovery program, the Government has devised a scheme of reducing the number of government entities or instrumentalities and government-owned or controlled corporations and their subsidiaries which have proliferated to unmanageable proportions. To achieve this goal, it has resorted either to privatization of a good number of these corporations and their subsidiaries or the divestment or disposal of their property and other assets as well as that of national government agencies and local government units. In aid of this endeavor, this Commission has deemed it fit to prescribe audit guidelines for the use and observance of the management of these government entities/instrumentalities and of the auditors concerned.

III. DEFINITION AND SCOPE: -

These audit guidelines shall be observed and adhered to in the divestment or disposal of property and other assets of all government entities/instrumentalities, whether national, local or corporate, including the subsidiaries thereof but shall not apply to the disposal of merchandise or inventory held for sale in the regular course of business nor to the disposal by government financial institutions of foreclosed assets or collaterals acquired in the regular course of business and not transferred to the National Government under Proclamation No. 50. They shall not also cover dation in payment as contemplated under Article 1245 of the New Civil Code.

As envisioned in this Circular, divestment shall refer to the manner or scheme of taking away, depriving, withdrawing of an authority, power or title. As opposed to investment which signifies the delivery of possession of anything to another, divestment connotes taking away and/or withdrawal of such possession and title (Black's Law Dictionary, Rev. 4th edition; Webster's New School/Office Dictionary).

IV. AUTHORITY OR RESPONSIBILITY FOR PROPERTY DISPOSAL/DIVESTMENT

Pursuant to existing laws on the matter, the full and sole authority and responsibility for the divestment or disposal of property and other assets owned by national government agencies or instrumentalities, local government units, and government-owned and/or

controlled corporations and their subsidiaries shall be lodged in the heads of the departments, bureaus, and offices of the national government, the local government units, and the governing bodies or managing heads of government-owned or controlled corporations and their subsidiaries conformably to their respective corporate charters or articles of incorporation, who shall constitute the appropriate committee or body to undertake the same.

V. MODE OF DISPOSAL/DIVESTMENT: -

This Commission recognizes the following modes of disposal/divestment of assets and property of national government agencies, local government units and government-owned or controlled corporations and their subsidiaries, aside from other such modes as may be provided for by law.

1. Public Auction

Conformably to existing state policy, the divestment or disposal of government property as contemplated herein shall be undertaken primarily thru public auction. Such mode of divestment or disposal shall observe and adhere to established mechanics and procedures in public bidding, viz:

- a. adequate publicity and notification so as to attract the greatest number of interested parties; (vide, Sec. 79, P.D. 1445)
- b. sufficient time frame between publication and date of auction;
- c. opportunity afforded to interested parties to inspect the property or assets to be disposed of;
- d. confidentiality of sealed proposals;
- e. bond and other prequalification requirements to guarantee performance; and
- f. fair evaluation of tenders and proper notification of award.

It is understood that the Government reserves the right to reject any or all of the tenders.

2. Sale Thru Negotiation

For justifiable reasons and as demanded by the exigencies of the service, disposal thru negotiated sale may be resorted to and undertaken by the proper committee or body in the agency or entity concerned taking into consideration the following factors:

- a. There was a failure of public auction. As envisioned in this Circular, there is failure of public auction in any of the following instances:

1. if there is only one offeror.

In this case, the offer or bid, if sealed, shall not be opened.

2. if all the offers/tenders are non-complying or unacceptable.

A tender is non-complying or unacceptable when it does not comply with the prescribed legal, technical and financial requirements for pre-qualification.

- b. The negotiation may be conducted singly, i.e., on a one-on-one basis, or in group, provided that due communication between the offerors and the government is established with a view to ensuring that the government gets the best price.
- c. To avert possible confabulation among unscrupulous parties, a record of the proceedings of the negotiation must be maintained.
- d. It is understood that the price agreed upon at the negotiation shall not be lower than the floor price as fixed by the government or the highest offer submitted at the failed public auction whichever is higher.

Conformably to existing law and regulation, in the case of local government units, the Office of the Treasurer shall undertake the negotiated sale subject to approval by the proper Committee on Award. Where the acquisition or transfer cost of the property exceeds ₱5,000.00 in the case of provinces and cities, the approval of this Commission is required. In the case of municipalities, where the acquisition or transfer cost of the property is more than ₱3,000.00, the approval of the Provincial Auditor is required.

3. Barter, which is the direct exchange of commodities without the use of money and without reference to price or the exchange of goods of one character for goods of another, may be made with other government agencies or government-owned and/or controlled corporations. This shall be resorted to where there is an offer that would redound to the interest of and is advantageous to the government.

4. Transfer to Other Government Agencies

Where the property or assets involved are no longer serviceable or needed by the department, agency, corporation or local government unit concerned, they may be transferred to other government entities/agencies without cost or at an appraised value upon authority of the head or governing body of the said agency or corporation, and upon due accomplishment of an Invoice and Receipt of Property (Cf., Sec. 76, P.D. 1445).

5. Destruction or Condemnation

This mode shall be resorted to only when the unserviceable property has no commercial value, or is beyond economic repair, or there is no willing receiver, and/or the appraised value is less than the administrative cost of sale, subject to prior inspection by the Auditor concerned. Valueless property shall be condemned either by burning, pounding, throwing beyond recovery, and the like. The head of the department, agency and corporation and the local chief executive shall approve the disposition.

VI. AUDIT PROCEDURE: -

A. To facilitate audit of the disposal/divestment of corporate assets as herein contemplated, the management of the government corporation concerned shall furnish the

Auditor at least twenty (20) days before the advertisement of the call to public auction with a copy each of the following documents:

- a) Program for disposal with time schedules;
- b) Inventory Report showing the itemized list and complete description of the assets;
- c) Appraisal Report showing the appraised values of the assets, prepared by an in house and/or independent appraiser;
- d) Disposal procedure adopted.

which are prepared by the concerned offices/departments of the corporation and submitted to the proper Disposal Committee or similar body constituted by the management thereof.

Upon receipt of these documents, the Auditor shall perform the following functions:

1. Secure and gather the following information regarding the asset -
 - a. In the case of physical assets other than foreclosed collaterals, information relative to the original cost of acquisition, the accumulated depreciation, and the net book value at the time of appraisal.
 - b. In the case of whole companies or government-owned and/or controlled corporations (GOCCs) other than foreclosed collaterals, information about the total loans and capital contribution or equity of the government in the entity concerned.
 - c. Any other information relative to the asset which will assist in arriving at the reasonableness of the appraisal or valuation shall likewise be gathered.
2. Review the corporation's procedures for the sale of assets to determine their propriety and conformity with existing laws and regulations.
3. In the event that the appraisal/valuation is equal to or higher than either the net book value, the principal loan, or total government exposure as mentioned in each of the cases in Nos. 1.a and 1.b above, the Auditor need not forward the appraisal/valuation report to the COA Central Office, but shall file it in his office together with the information gathered in No. 1 above as supporting documents for the review done, which shall be available for review by the COA Central Office.
4. In the disposal/divestment of assets, the Auditor shall also review the actual sales or disposal value of the asset as against the appraisal/valuation report. If the bid/sales value is less than the appraised value, the Auditor shall require justification thereon from management. On the basis of such justification, the Auditor shall make his own evaluation and submit his comment/recommendation to the COA Technical Service Office (TSO).
5. The Auditor, in forwarding the appraisal/valuation report to the TSO shall include in his comments and recommendation a comparative analysis of the foregoing information vis-a-vis the appraisal/valuation report received from management.

The TSO, employing its own organic personnel or engaging the services of a private consultant/specialist, shall review the appraisal/valuation report of the corporation for

reasonableness, thereafter transmitting its comments/action thereon to the Auditor concerned, thru the COA Corporate Audit Office.

B. When property of a local government unit has become in-serviceable for any cause, or is no longer needed, it shall, upon application of the officer accountable therefor, be inspected and appraised by the provincial or city auditor or his duly authorized representative or that of this Commission.

C. The Auditor of a department, bureau or agency of the national government or any local government unit upon receipt from the department/agency head or local chief executive concerned of the Inventory and Inspection Report supported by individual equipment survey reports and current photographs, as well as the Waste Material Report, in case of waste materials and worn-out and obsolete spare parts, shall refer these documents to a Technical Property Inspector assigned to his office, if any, or to the TSO in the COA Central Office for inspection and appraisal of the property. The Technical Property Inspector thus assigned shall;

- a) conduct an inspection of the un-serviceable equipment or property to verify justification for disposal;
- b) appraise the disposable equipment or propriety; and
- c) prepare an Inspection Report which shall indicate the following, among others:
 - 1 - description, quantity and specifications of the equipment or property;
 - 2 - date of purchase;
 - 3 - acquisition cost;
 - 4 - physical condition;
 - 5 - appraised value;
 - 6 - remarks/recommendations.

This Inspection Report shall be submitted to the Auditor who shall transmit the same to the proper Disposal Committee and shall be used as basis for its decisions.

VII. COA ROLE DURING DISPOSAL: -

In all modes or instances of disposal of government property or assets as hereinabove contemplated, the proceedings shall be undertaken by the appropriate authority in the presence of the Auditor or other COA representative who shall act as an intelligent, responsive and articulate witness thereto. The said act of witnessing shall not be confined merely to seeing what is being done during the proceedings but shall be related to the more meaningful discharge by the Auditor of his/her constitutional duty to examine, audit and settle all accounts pertaining to the expenditures or uses of government funds and property. Thus, the Auditor acting as such witness may verbally advise the agency head or his duly authorized representative of any objectionable feature/s of the proceedings. Otherwise, he may sign documents and other papers pertinent only to those proceedings which he witnessed with his comments which he deems necessary under the circumstances. Related advices and/or comments done in writing should invariably be sent officially to and duly

received for by head of the agency or his duly authorized representative concerned. These written advices or comments shall form part of the bases of action to be taken by the auditor in the pre-audit or post audit of the subject transactions.

VIII. EFFECTIVITY AND REPEALING CLAUSE

All Circulars, Memoranda, rules, regulations and other issuances inconsistent herewith are hereby repealed, amended or modified accordingly.

This circular shall take effect January 2, 1989.

(SGD.) EUFEMIO C. DOMINGO, Chairman
(SGD.) ALBERTO P. CRUZ, Commissioner
(SGD.) BARTOLOME C. FERNANDEZ, JR., Commissioner