THE ADOPT-A-SCHOOL PROGRAM
Potential engineers, scientists, mathematicians, and artists are in our schools, but they may not have a chance to pursue their dreams due to economic difficulty. Their parents dream of a better life for their children and strive hard to provide well for them, but in many cases, even just the provision of food for each household’s table is already a struggle.

The government allots the biggest share of the national budget to basic public education, but the amount still cannot keep up with the increasing student population. There are even more children who are out on the streets and who have to be shepherded into the schools, but government resources are simply not enough to provide them the free, quality education to which they are entitled.

We need generous hearts in the private sector to realize the spirit of Republic Act 8525, otherwise known as the “Adopt-a-School Act of 1998” enacted for the very purpose of providing a venue for the strong and dynamic private sector to participate in nation-building through investments in the education of Filipino children. The rewards of such investments come through an educated generation that will succeed ours, run our enterprises, and steer this nation to greater heights.

Over the years, DepEd introduced interventions to reduce student dropouts and keep the youth off the streets. It has sought to increase student achievement levels and improve teacher performance. It continues to bring the issues and needs of public education to every Filipino who cares, in an effort to invite each and everyone to help boost education opportunities for our young.

DepEd, through the Adopt-a-School Program (ASP), sincerely invites all members of private entities to accept our offer of active partnership in the noble goal of educating all Filipinos. Education is the key to national growth.

With Adopt-a-School, each Filipino can have the opportunity to enjoy his right to education, to open his eyes to the wonders and challenges of the world, to pursue his dreams, and to contribute capably towards the nation’s progress.
Every Filipino child deserves to finish school and reap the benefits of an education.

This nation needs an educated citizenry, and there are many ways by which you can help.
LEGAL BASES

- **Republic Act No. 8525**  
  “Adopt-a-School Act of 1998”  
  Allows private entities to assist a public school in staff and faculty development for training and further education; construction facilities; upgrading of existing facilities; provision of books, publications, and other instructional materials; and modernization of instructional technologies.

- **DepEd Order No. 40, s. 2015**  
  “Guidelines on K to 12 Partnerships”  
  Outlines the requirements and processes involved in entering into partnerships with DepEd in the fields of work immersion opportunities for public Senior High School (SHS) learners, use of facilities and equipment, additional teacher training opportunities, and additional resources in the form of donations.

- **DepEd Order No. 19, s. 2010**  
  “Creation of International Cooperation Office (ICO)”  
  Establishes a dedicated office for international transactions including bilateral and multilateral planning and cooperation; enhancement of Philippine participation in international education programs; coordination of agreements between other countries related to education; and coordination of visits of foreign dignitaries and delegates.

- **DepEd Order No. 24, s. 2008**  
  “Institutionalization of the Brigada Eskwela Program”  
  Engages education stakeholders to contribute in the form of volunteer hours, labor support, in-kind donations, and community maintenance operating expenses, in ensuring that public schools are all set in time for school opening.
SCHOOL SUPPORT PACKAGES

Infrastructure, Physical Facilities, Furniture, and Real Estate
The construction of additional classrooms will decongest our crowded public schools and provide more substantial school hours for the children. Badly-needed chairs, desks, blackboards, computer laboratories, wash facilities, water systems and toilets must also be provided, and those will likely create a physical environment that is conducive to learning.

Learning Support
Our private-sector partners can give public school children exciting and dynamic opportunities for learning at the larger world outside of school by sponsoring relevant field trips. Students and teachers will also benefit from audiovisual education materials such as e-books, educational films, e-libraries, and non-digital teaching aids such as pop-up materials and colored illustrations.

Health and Nutrition
Appropriate remedies for the health and nutrition problems of public school children will help improve students’ school performance and learning retention. Our partners can sponsor feeding programs, essential health care programs, medical-dental missions, deworming interventions, and the provision of vitamins, nutritional supplements, eye check-ups, and eyeglasses to students and teachers.
Reading Program
By providing books and supplementary reading materials to our public school children, we open up a rich world of information to them and help develop the habit of reading, a key to improving academic performance.

Technology Support
We welcome the private sector’s continuing support in promoting DepEd’s imperative thrust to integrate fast-changing technology within basic education. Laptops, computers, internet connectivity, television sets, DVDs, and e-learning materials are always needed to make classroom instruction interactive and effective.

Direct Assistance
School supplies, stipends, and other forms of financial and material assistance may be extended to public school children to alleviate their parents’ financial burden and obligations.

Training and Development
Private sector groups and individuals can extend assistance not only to schoolchildren but also to their teachers. Sponsoring training programs in teacher education institutions will greatly help our teachers gain relevant skills that will update their knowledge and increase their effectiveness in the classroom.

Assistive Learning Devices for Students with Special Needs
Assistive learning devices are used to increase or improve the functional capabilities of a child with special needs. These range from no-tech devices (pencil grips, dry-erase boards, special chairs, picture cards) to mid-tech (tape recorders, spelling-check devices, overhead projectors) and high-tech devices (software, computerized systems, specialized keyboards, and peripheral devices).
## FREQUENTLY ASKED QUESTIONS

### What are the benefits an adopting private entity can avail of under the Adopt-a-School Program?

 Allows private entities to assist a public school in staff and faculty development for training and further education; construction facilities; upgrading of existing facilities; provision of books, publications, and other instructional materials; and modernization of instructional technologies.

### Where can a private entity obtain the certification/endorsement so that it can avail of the tax incentives as provided for under the Adopt-a-School Law?

 The private entity should request an endorsement from the DepEd Central Office in Pasig through the Adopt-a-School Secretariat. The endorsement is approved by DepEd.

### What are the requirements needed by the Revenue District Office of the Bureau of Internal Revenue (BIR) in considering the application of the private entity for tax incentives?

 The private entity applying for tax incentives must submit the following:
- Duly notarized/approved Agreement;
- Duly notarized Deed of Donation;
- Duly notarized Deed of Acceptance;
- Official receipts showing the actual value of the donation; and
- Certificate of title and tax declaration if the donation is in the form of real property.
### For donations coming from overseas, what are the documents required to avail of duty-free entry of goods?

The documents required prior to the issuance of duty-free certification by DepEd and the Department of Finance (DOF) are the following:

**From the Donor:**
- Bill of Lading, Air Waybill, Parcel Notice, or other shipping documents; and
- Commercial Invoice and Packing List

**From the Donee:**
- Notarized Deed of Donation, Deed of Acceptance, and Memorandum of Agreement (or Memorandum of Understanding, whichever is applicable).

### Who can help?

A private individual, group, organization, or institution can become partners in education. There are, however, basic qualifications of participants to the Program.

A private entity that intends to participate should have been in existence for at least a year, and have a credible track record to be supported by a Certificate of Registration with the Securities and Exchange Commission (SEC), or with the Cooperative Development Authority (CDA).

### What assistance can be provided?

The program carries a menu of options called packages that a stakeholder can select from. Packages range from building classrooms, laboratories, staff development, nutrition programs, e-learning, to the provision of instructional materials. The packages are designed to meet the school’s needs in accordance with the private sector’s capacity and thrusts.
**Which schools need assistance?**

Any government school whether elementary, secondary, post-secondary, or tertiary, preferably located in any of the current poorest provinces or municipalities can avail of the donations under the Program. Priority shall be given to schools located in the poorest provinces as determined by the National Statistical Coordination Board (NCSB); low income municipalities and other schools with undernourished learners; provinces or municipalities with indigent but high performing learners, schools with severe classroom shortage, and schools with insufficient funds and/or deficient supply of textbooks and other instructional materials both for teachers and learners.

**How will recipient schools be selected?**

The adopting private entity has the prerogative of identifying the school of its choice, as well as the area and geographic location where it wishes to place its support. In case the adopting private entity has no particular school in mind, any of the three education agencies will provide the adopting entity a list of priority schools and their identified needs.
Section 1. Title. – This Act shall be known and cited as the “Adopt-a-School Act of 1998.”

Section 2. Declaration of policy. – It is the policy of the State to provide quality and relevant education to the Filipino youth and to encourage private initiative to support public education. Towards this end, the State shall institute programs to encourage private companies and enterprises to help in the upgrading and modernization of public schools in the country, particularly those in poverty-stricken provinces.

Section 3. Adopt-a-School Program. – There is hereby established the “Adopt-a-School Program” which will allow private entities to assist a public school, whether elementary, secondary, or tertiary, preferably located in any of the twenty (20) poorest provinces identified by the Presidential Council for Countryside Development or any other government agency tasked with identifying the poorest provinces in, but not limited to, the following areas: staff and faculty development for training and further education; construction of facilities; upgrading of existing facilities, provision of books, publications and other instructional materials; and modernization of instructional technologies.

A Memorandum of Agreement (MOA) specifying the details of the adoption shall be entered into between the adopting entity and the head of the school concerned: Provided, That such MOA shall be subject to review and approval of the Superintendent of Schools of the province or district concerned: Provided, further, That the agreement shall last for at least two (2) years with the possibility of extension: Provided, finally, That such period may be shortened only in cases where the adopting entity is dissolved before the end of such period unless otherwise earlier terminated in accordance with the succeeding Section.

Section 4. Periodic review. – A review of the adoption shall be undertaken by the local school board of the province or city where the school is located. The standards and guidelines for the review shall be formulated by the Coordinating Council created under Sec. 7 hereof. The results of the review shall be taken into consideration in the assessment of the application for tax credits by the adopting entity. The school board may, after an appropriate review, recommend to the Coordinating Council the termination of the adoption. The adopting entity may appeal the assessment to the Coordinating Council whose decision shall be final and unappealable.

Section 5. Additional deduction for expenses incurred for the adoption. – Provisions of existing laws to the contrary notwithstanding, expenses incurred by the adopting entity for the “Adopt-a-School Program” shall be allowed an additional deduction from the gross income equivalent to fifty percent (50%) of such expenses.

Valuation of assistance other than money shall be based on the acquisition cost of the property. Such valuation shall take into consideration the depreciated value of the property in case said property has already been used.

Section 6. Additional incentives. – The adopting company or enterprise, in addition to the incentive provided in the preceding Sec., shall be entitled to have its name emblazoned beneath the name of the school after words indicating that the school is under the “Adopt-a-School Program.”

Moreover, the adopting entity shall be represented in the local school board of the municipality where
the adopted elementary or high school is located.

**Section 7. Coordinating council.** – A Coordinating Council, hereinafter referred to as the Council, is hereby created to coordinate and monitor the implementation of this Act. The Council shall be composed of the Secretary of the Department of Education, Culture and Sports (DECS), as chairperson; the Chairman of the Commission on Higher Education (CHED) and the Director-General of the Technical Education and Skills Development Authority (TESDA), as co-chairpersons; and the chairperson of the Presidential Council for Countryside Development (PCCD), and a representative from a national federation of chambers of commerce and industry to be appointed by the President of the Philippines, as members.

The Council shall meet once every three (3) months. The chairpersons and members shall not receive compensation but shall be entitled to reimbursements for reasonable expenses related to the Council’s activities.

The DECS, CHED and TESDA, through a mutual agreement, shall each make provisions for the secretariat of the Council.

**Section 8. Rules and regulations.** – The DECS, CHED and TESDA, in consultation with the Department of Finance, shall formulate the rules and regulations to implement this Act.

**Section 9. Separability clause.** – In the event that any provision of this Act is declared unconstitutional, the validity of the other provisions shall not be affected by such declaration.

**Section 10. Repealing clause.** – All laws, decrees, orders, rules and regulations or parts thereof inconsistent with this Act are hereby repealed or modified accordingly.

**Section 11. Effectivity.** – This Act shall take effect fifteen (15) days after its publication in two (2) national newspapers of general circulation.
Section 1. Scope. – Pursuant to Sections 4 and 244 of the National Internal Revenue Code (Tax Code) of 1997, the following Regulations are hereby promulgated to implement the tax provisions of R.A. No. 8525, otherwise known as the “Adopt-a-School Act of 1998.”

Sec. 2. Definition of Terms. – For purposes of these Regulations, the following terms are operationally defined as follows:

(a) “Act”– refers to Republic Act No. 8525, otherwise known as the “Adopt-a-School Act of 1998.”

(b) “Adopt-a-School Program” – or “Program” shall refer to a program which allows private entities to assist a public school in a particular aspect of its educational program within an agreed period.

(c) “Public school” – shall refer to a government school, whether elementary, secondary, post-secondary or tertiary, which enters into an Agreement with an adopting private entity concerning assistance referred to under paragraph (e) hereof.

(d) “Private entity” - shall refer to an individual engaged in trade or business or engaged in the practice of his profession or other business organizations, like a partnership, corporation or cooperative, either resident or non-resident, who/which teams up with the Department of Education (DepEd), or with the Commission on Higher Education (CHED), or with the Technical Education and Skills Development Authority (TESDA), towards providing much needed assistance and service to public schools. It shall be known hereafter as the adopting private entity.

(e) “Assistance” – shall refer to the aid/help/contribution/donation provided by an adopting private entity to a public school. Assistance may be in the form of, but not limited to, infrastructure, teaching and skills development, learning support, computer and science laboratories, and food and nutrition.

(f) “Agreement” – shall refer to a Memorandum of Agreement (MOA) or Agreement/Deed of Donation entered into by and between the adopting private entity and the public school specifying the terms and conditions of the adoption, including the tasks and responsibilities of the contracting parties.

(g) “National Secretariat” – shall refer to the office composed of representatives of the three education agencies, namely the DepEd, CHED and TESDA, which will provide overall management and coordination of the Program.

(h) “Application for tax incentives or tax exemption” – shall refer to the application for tax credit by the adopting private entity referred to under Section 4 of the Act, which means application for additional deduction in arriving at the net taxable income.
Sec. 3. Tax Incentives Accruing to the Adopting Private Entity. – A pre-qualified adopting private entity, which enters into an Agreement with a public school, shall be entitled to the following tax incentives:

(a) Deduction from the gross income of the amount of contribution/donation that were actually, directly and exclusively incurred for the Program, subject to limitations, conditions and rules set forth in Section 34(H) of the Tax Code, plus an additional amount equivalent to fifty percent (50%) of such contribution/donation subject to the following conditions:

1. That the deduction shall be availed of in the taxable year in which the expenses have been paid or incurred;

2. That the taxpayer can substantiate the deduction with sufficient evidence, such as official receipts or delivery receipt and other adequate records –

2.1 The amount of expenses being claimed as deduction;

2.2 The direct connection or relation of the expenses to the adopting private entity’s participation in the Adopt-a-School Program. The adopting private entity shall also provide a list of projects and/or activities undertaken and the cost of each undertaking, indicating in particular where and how the assistance has been utilized as supported by the Agreement; and

2.3 Proof or acknowledgment of receipt of the contributed/donated property by the recipient public school.

3. That the application, together with the approved Agreement endorsed by the National Secretariat, shall be filed with the Revenue District Office (RDO) having jurisdiction over the place of business of the donor/adopting private entity, copy furnished the RDO having jurisdiction over the property, if the contribution/donation is in the form of real property.

(b) Exemption of the Assistance made by the donor from payment of donor’s tax pursuant to Sections 101 (A)(2) and (B)(1) of the Tax Code of 1997.

Sec. 4. Other Tax Consequences of the Assistance to the Public School. –

(a) In the case of foreign donation, the VAT and excise tax, if any, on the importation of goods shall be assumed by the DepEd, or CHED, or TESDA, as the case may be, being the consignee or the importer thereof, except in cases where the importation is exempt from VAT under Section 109 of the Tax Code. In this connection, VAT on importation payable by the concerned national government agency (namely, DepEd, CHED or TESDA) to the National Government arising from the subject foreign donation is deemed automatically appropriated and shall be considered as expenditure of the government pursuant to the provisions of Section 13 of the Government Appropriation Act (GAA) as determined by the Congress on an annual basis.

(b) In the case of local donation considered as a “transaction deemed sale” of goods or properties originally intended for sale by the adopting private entity, the same shall be subject to VAT on the transfer of the said goods or properties under Section 106(B)(1) of the Tax Code. The said donor/adopting private entity, however, is entitled to claim the available input tax subject to the rules on allocation among taxable sales, zero-rated sales and exempt sales. On the other hand, the donee-public school, shall be deemed as the final consumer/end-user, and therefore, not entitled to any input VAT. If the local donation is not considered as a "transaction deemed sale," then the transfer of the goods or properties to the public school shall be exempt from VAT.
Sec. 5. Valuation of the Assistance/Contribution or Donation. –

(a) **Cash assistance/contribution or donation.** – The amount of assistance/contribution or donation shall be based on the actual amount contributed/donated appearing in the official receipt issued by the donee.

(b) **Assistance/contribution or donation other than money.** –

(i) **Personal property.** – If the contribution or donation is in the form of personal property, the amount of the contribution or donation shall be based on the acquisition cost of the said assistance or contribution. However, if the said property had already been used, then such valuation shall take into consideration the depreciated value of the property.

(ii) **Consumable goods.** – If the assistance is in the form of consumable goods, the amount of the contribution or donation shall be based on the acquisition cost by the donor or the actual cost thereof at the time of the donation, whichever is lower.

(iii) **Services.** – If the assistance is in the form of services, the amount of the contribution or donation shall be based on the value of the services rendered as agreed upon by the donor and the service provider and the public school as fixed in the Memorandum of Agreement, or the actual expenses incurred by the donor, whichever is lower.

(iv) **Real Property.** – If the assistance is in the form of real property, the amount of the contribution or donation shall be the fair market value of the property at the time of the contribution/donation, as determined pursuant to Section 6(E) of the Tax Code or the book value/depreciated value of the property, whichever is lower. Appraisal increase or appreciation in the value of the asset recorded in the books of account should not be considered in computing the book value of the asset.

Sec. 6. Procedures for the Availment of Tax Incentives under the program by the Adopting Private Entity. – In order to avail of the tax incentives provided for under these Regulations, the following procedures and requirements should be complied with, viz:

(a) **National Secretariat shall endorse** to the RDO of the Bureau of Internal Revenue (BIR) having jurisdiction over the place of business of the adopting private entity, copy furnished the RDO having jurisdiction over the property if the donation or contribution is in the form of real property, the following:

(i) duly notarized/approved Agreement;

(ii) duly notarized Deed of Donation;

(iii) Official receipts or any document showing the actual value of the contribution/donation;

(iv) Certificate of Title and Tax Declaration, if the donation is in the form of real property; and

(v) Other adequate records showing the direct connection or relation of the expenses being claimed as deduction/donation to the adopting private entity’s participation in the Program, as well as showing or proving receipt of the donated property.

(b) Adopting private entity shall submit application for entitlement to the additional 50%
special deduction from the gross income, and for exemption from donor’s tax to the RDO having jurisdiction over the place of business of the adopting private entity, copy furnished the RDO having jurisdiction over the donated real property.

Sec. 7. Repealing Clause. – All revenue rules and regulations, and other revenue issuances or parts thereof, which are inconsistent with these Regulations are hereby repealed or modified accordingly.

Sec. 8. Effectivity. – These Regulations shall take effect fifteen (15) days after publication in the Official Gazette or in a newspaper of general circulation, whichever comes first.