




Republic of the Philippines
Department of Education
Region V
SCHOOLS DIVISION OF SORSOGON

MEMORANDUM

TO: Assistant Schools Division Superintendent
Chief Education Supervisors
Public Schools District Supervisors acting as MLSB Co-Chair
All Others Concerned

FROM:  **JOSE L. DONCILLO, CESO V**
Schools Division Superintendent

SUBJECT: **REITERATION ON THE SUBMISSION OF SEF UTILIZATION FOR FY 2025**

DATE: April 8, 2025

1. Pursuant to Section 6.1 of DepEd-DBM-DILG Joint Circular No. 1, s. 2017 re: Revised Guidelines on the Use of Special Education Fund (SEF) which states that *“To promote and enhance transparency and accountability in the allocation and utilization of the SEF, the parties concerned shall 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 sangguniang concerned and Regional Offices of the DBM and DILG”*, this Office reiterates the submission of quarterly report on SEF Utilization for FY 2025, to wit:

Coverage of the Quarter/ Annual Reports	Due Date
Q I (January to March 2025)	Before 20 th of April 2025
Q II (April to June 2025)	Before 20 th of July 2025
Q III (July to September 2025)	Before 20 th of October 2025
Q IV (October to December 2025)	Before 20 th of January 2026)
FY 2025 Annual Report	Before 15 th of February 2026



Balogo Sports Complex, Balogo, Sorsogon City, Sorsogon 4700
Landline: (056) 211-6461
Email: sorsogon@depd.gov.ph
Website: depdsorsogon.com.ph



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2. Preferential attention and prompt compliance of this Memorandum are enjoined.



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**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

generate and re-evaluate 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 and public undertaking educational operation with a specific age-group of pupils or students pursuing defined studies and levels, receiving instruction from teachers, usually located in a building or group of buildings in a particular physical or cyber site. *Source: IRR for RA No. 9155 (Governance of 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.

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

4.1.2.1 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	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
<p>Consultation / Discussion / Hearing with schools concerned and other stakeholders;</p> <p>Consolidation of budget requests from all schools in the LGU (city / municipality) for the ensuing budget year.</p>	DepEd PSDS and SDS	September 1 to September 30 of the current 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)
<p>Submission of the following to the Provincial LSB:</p> <ol style="list-style-type: none"> 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
<p>Review of proposals not funded in the approved SEF Budget of the City/Municipality taking into consideration the priorities contained in the DEDP.</p> <p>Approval of the Provincial SEF Budget by Province through an LSB Resolution approved by the majority of all LSB members.</p>	Provincial LSB	Not later than November 30 of the current year

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. The appropriate DepEd offices shall prepare the consolidated provincial and regional reports.	LSB DepEd representative in the 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
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*		Maintenance and Other Operating Expenses	Capital Outlays	Total
Total Expenditures for BY _____			XXX	XXX	XXX
Balance/Deficit					XXX

Prepared by:

 Division Superintendent/Supervisor
 Co-Chairman, LSB

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:

LCE, Chairman, LSB