



Republic of the Philippines  
**Department of Education**  
Region III  
**SCHOOLS DIVISION OF PAMPANGA**

March 04, 2024

DIVISION MEMORANDUM  
NO. **141**, s. 2024

**REITERATION OF THE GUIDELINES FOR THE DISPOSAL OF  
GOVERNMENT PROPERTIES AND DEMOLITION OF SCHOOL BUILDINGS**

To: Assistant Schools Division Superintendents  
CID and SGOD Chiefs  
Public School District Supervisors  
Heads of Secondary / Elementary Schools  
School Property Custodians  
District Property Custodians  
All Others Concerned

This Office hereby reiterates Guidelines in the Divestment or Disposal of Government Properties and Demolition of School Buildings.

In relation to the Presidential Decree Number. 1445 , Executive Order No. 888 series of 1983 , NBC No. 425 dated January 28, 1992, COA Circular No. 89-296 dated January 27, 1989 and Executive No. 309 dated March 08, 1996, these set of guidelines in the divestment or disposal of government property and other assets are hereby prescribed.

1. Despite the various laws, rules and regulations governing disposal of property, a considerable quantity of unserviceable, no longer needed, obsolete, forfeited/seized supplies, materials and equipment and valueless records have grown into unmanageable and uneconomical proportions in various government agencies. To save cost of maintaining such property, there is a need for their disposal. School building perceived to be hazardous and declared by the building official to be unfit for occupancy shall be subject to demolition.

2. In view of the foregoing, this division through the Property and Supply Unit issues the enclosed Guidelines, Procedures, and Templates on the reiteration. Also, readily available templates are available in this link.\_  
<https://bit.ly/templateDisposal>

3. All Implementing Units will undergo the same processes except that the authority is vested in the School Head who will cause the dropping of the cost of the building and other equipment from the books of accounts being held



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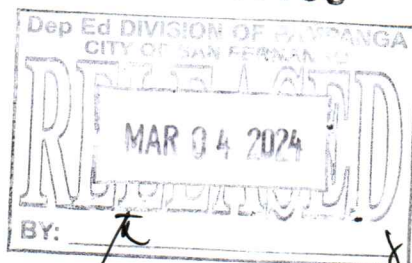
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by the School Bookkeepers. The same shall be indicated in the Inventory Reports furnishing the Division Office a copy.

4. Immediate and wide dissemination of this Memorandum is desired.

**ROMEO M. ALIP, PhD, CESO V**  
Schools Division Superintendent

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Encl.: As stated.  
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**LIST OF BASIC REQUIREMENTS re: REQUEST FOR DISPOSAL OF  
 UNSERVICEABLE PROPERTY AND DEMOLITION OF SCHOOL  
 BUILDINGS (COA Circular No. 89-296 / Executive Order No. 888)**

**APPENDIX A**

**DEMOLITION**

- \_\_\_\_\_ 1. Inspection / Assessment Report from Municipal / City Engineer
- \_\_\_\_\_ 2. Photographs of the building to be demolished, properly labeled, showing the front, rear, sides and damaged sections
- \_\_\_\_\_ 3. Certification by the school head that, if the building is demolished, classes will not be disrupted due to lack of classrooms
- \_\_\_\_\_ 4. Indication of probable funding for replacement
- \_\_\_\_\_ 5. Approved request for demolition from schools division superintendent (SDS)
- \_\_\_\_\_ 6. Demolition permit from the Municipal/ City Building Official
- \_\_\_\_\_ 7. Transmittal letter duly received by Commission on Audit (COA) re: informing the approved demolition
- \_\_\_\_\_ 8. Request letter for inspection and appraisal for the conduct of public bidding for the demolition **(including contact number for scheduling of inspection by disposal committee) / or NOTIFICATION if by ADMINISTRATION**

**DISPOSAL**

- \_\_\_\_\_ 1. Request letter from accountable office re: disposal and inspection of unserviceable property **(including contact number for scheduling of inspection by disposal committee)**

**Use just one (1) form that is appropriate for the items being disposed of.**

- \_\_\_\_\_ 2.1 Inventory and Inspection Report of Unserviceable Property (IIRUP)  
 This report shall be used to account for all unserviceable semi-expendable property of an entity which is subject to disposal **more than 50,000 per unit cost**
- \_\_\_\_\_ 2.2 Inventory and Inspection Report of Unserviceable Semi-Expendable Property (IIRUSP)  
 This report shall be used to account for all unserviceable semi-expendable property of an entity which is subject to disposal **less than 50,000 per unit cost**
- \_\_\_\_\_ 2.3 Waste Materials Report (WMR)  
 This form covers damaged equipment spare parts .It is used for the disposal of waste materials which result from the consumption or utilization of expandable materials, and covers damaged equipment parts, empty containers and remnants salvaged from destroyed or damaged fixed assets, unserviceable materials from repaired/demolished building.
- \_\_\_\_\_ 3. Pictures (items for disposal) – signed by accountable officer
- \_\_\_\_\_ 4. Attached program of works (ONLY for unserviceable materials to be used as improvements in the school, like materials from building repairs)

**IN TRIPLICATE COPIES**



**SUMMARY O THE PROCEDURAL GUIDELINES IN THE DIVESTMENT OR  
DISPOSAL OF GOVERNMENT PROPERTY AND OTHER ASSET (COA  
Circular No. 89-296 /Executive Order No. 888 series of 1983 )  
APPENDIX B**

**1. Determination of Disposable Property**

- 1.1 Property which can no longer be repaired or reconditioned
- 1.2 Property whose maintenance cost / cost of repair outweighs the benefits and services that will be derived from its continued use;
- 1.3 Property that has become obsolete or outmoded because of changes in functions or mandate;
- 1.4 Serviceable property that has been rendered unnecessary due to change in functions or mandate;
- 1.5 Unused supplies, materials, and spare parts procured in excess of requirement; and
- 1.6 Unused supplies and materials that has become dangerous to use because of long storage or use of which is determined to be hazardous.

**2. Submission of documents pertaining to Disposable Property** – The accountable office / division in possession of property / materials for disposal shall submit to Division Property and Supply Unit Section **(SEE ATTACHED APPENDIX A)**

**3. Inspection**- This is aimed at obtaining first hand observation of the physical and operational condition of the property and their marketability or ability to attract prospective buyers. An ocular inspection may be done separately by each member of the Disposal Committee or as a group, where practicable. **(by SCHEDULE THROUGH DIVISION DISPOSAL COMMITTEE)**

**4. Appraisal** – The objective of the appraisal is to set the government's minimum selling price so that the government shall receive fair compensation for the items sold. The Disposal Committee shall prepare the appraisal report. The appraised value shall be computed using as basis the information / data appearing in the *Inventory and Inspection Report of Unserviceable Property and Waste Materials Report* **(THROUGH DIVISION APPRAISER MEMBERS)**

**5. Setting of Minimum Value** – Once all the items in the IIRUP and WMR have been computed and the Total appraised value is determined, an Appraisal Report shall be prepared by Disposal Committee.

**6. Furnish the Resident COA Auditor** the advertisement of call to public auction/bidding, with a copy each of the following: (a) the program for disposal of assets, with time schedules; (b) Inventory Report showing the itemized list and complete description of the assets to be disposed; (c) Appraisal Report showing the appraised values of the assets for sale; and (d) disposal procedures adopted. **(THROUGH DIVISION DISPOSAL SECRETARIAT)**

**7. Implementation of Disposal** (refer to Modes of Disposal and Guidelines/Procedures in the Sale of Property as per NBC No. 425 dated January 28, 1992)

**8. Dropping from the Books of Accounts** – Upon Disposal of Property, pertinent portion of the IIRUP and WMR, whichever is applicable, shall be accomplished. These reports shall be the basis for dropping the property from the books of accounts and for taking up the proceeds from the sale of property.

**Note :** **(Except In case of National High School with Fiscal Autonomy – disposal of government property is school level following the guidelines)**

## **GUIDELINES ON THE DISPOSAL OF GOVERNMENT PROPERTIES**

### I. Rationale

Disposal is the end of the life cycle of a government property.

Pursuant to EO No. 888 Sec 1 and COA Circular No. 89-296 (audit Guidelines on the Divestment or Disposal of Property and Other Assets on NGAs, LGUs and GOCCs), the full and sole authority and responsibility for the disposal of properties and other assets owned by the government shall be lodged in the heads of the offices/agencies.

Despite the proliferation of various laws, rules and regulations governing disposal of property, a considerable quantity of unserviceable, no longer needed, and obsolete supplies, materials and equipment which have grown into unmanageable and uneconomical proportions now exist in the various offices and schools. To save on cost of maintaining orderliness and efficient use of office/school space there is a need for their disposal.

### II. Objectives

- a. To dispose all unserviceable, obsolete, no longer needed materials, supplies and equipment including valueless properties;
- b. To prevent further deterioration thereby obtaining the fair return in case of sale;
- c. To relieve accountable officers of accountability.
- d. To implement a uniform system/procedure of disposal of property and other assets.

### III. Coverage

This guideline shall be applied and implemented to Division Office Proper, Elementary and Secondary Schools and to Senior High Schools in the division.

### IV. Disposal Committee

#### 4. 1 Composition

EO No. 309, reconstituted the membership of the Disposal Committee as provided for under EO No. 888;

- Chairman: who is at least 2<sup>nd</sup> ranking permanent official of the office
- Member: from Administrative Unit
- Member: Head of the Property Unit

A Secretariat and technical staff manned by the regular personnel of the Concerned shall be formed to handle all the committee's technical and administrative matters, as well as the safekeeping and systematic filing of disposal committee documents and records.

#### 4.2 Functions of the Disposal Committee

- a. Conduct inspection of the property filed/subject for disposal.
- b. Check the condition of the property, determine whether operational, under repair or beyond repair.
- c. Determine if property is economically repairable and the most probable cost of its repairs/current costs of spare parts.
- d. Recommend mode of disposal to be adopted.

#### V. Determination of Disposable Property

- 5.1 Property which can no longer be repaired or reconditioned.
- 5.2 Property whose maintenance cost/cost of repair outweighs the benefits and services that will be derived from its continued use.
- 5.3 Property that has become obsolete or outmoded because of changes in technology among others.
- 5.4 Serviceable property that has been rendered unnecessary due to change in functions or mandate.
- 5.5 Unused supplies and materials that are dangerous to use because of long storage or use of which is determined to be hazardous.

#### VI. Documentation

The forms used for disposal are:

##### 6.1 Inventory and Inspection Report of Unserviceable Property (IIRUP)

This form is used for the disposal of vehicles, mechanized equipment, office equipment, furniture, and semi expendable materials. When accomplished, this form shall also contain the list of missing parts, if Any, which should be accompanied by a certification of the property officer or custodian as to whether the missing parts were removed for future stock or have been utilized already for repair purposes. This report shall be used to account for all unserviceable semi-expendable property of an entity which is subject to disposal more than 50,000 per unit cost.

##### 6.2 Inventory and Inspection Report of Unserviceable Semi-Expendable Property (IIRUSP)

This report shall be used to account for all unserviceable semi-expendable property of an entity which is subject to disposal less than 50,000 per unit cost.

##### 6.3 Waste Materials Report

This form is used in the disposal of waste materials which result from the consumption or utilization of expendable materials and covers damaged equipment parts, empty containers, and remnant's salvaged from destroyed or damaged fixed assets.

## VI. Mode of Disposal

### 6.1 Public Auction

Conformably to existing state policy, the disposal of government Property shall be undertaken primarily thru public auction. Such mode of Disposal shall observe and adhere to established mechanics and procedures in Public bidding.

The Division Bids and Awards Committee on Disposal or the school BAC (in case of Secondary Schools with fiscal autonomy), shall conduct Bidding for disposal thru public auction.

#### Composition of BAC on Disposal

Chairman: who is at least 3<sup>rd</sup> ranking permanent official of the school  
Member: -a permanent official represents legal or administrative area of the office  
-one who has technical expertise relevant to the disposal items at hand,  
-a representative from the end user unit who has knowledge, of COA rules and regulations

The unserviceable property may be sold at public auction to the highest bidder under the supervision of the BAC on Disposal

### 6.2 Sale Thru Negotiation

Maybe undertaken by the proper committee concerned taking into consideration the following factors:

6.2.1 There was a failure of public auction;

- If there is only one offeror.
- If all the officers are non-complying or unacceptable.

6.2.2 The negotiation may be conducted singly, i.e. on a one-on-one basis or in a 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.

6.2.3 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.

6.3 Barter – 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 comparations. This shall be resorted to where there is an offer that would redound to the interest of and is advantageous to the government.



#### 6.4 Transfer to Other Government Agencies

Where the property or assets involved are no longer serviceable or needed by the agency/school, they may be transferred to other government entities 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.

#### 6.5 Destruction or Condemnation

This mode shall be resorted to only when the unserviceable property has no commercial value, or is beyond 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.