



Republic of the Philippines
Department of Education

REGION I
SCHOOLS DIVISION OFFICE DAGUPAN CITY

DepEd SDO Dagupan City
RECORDS OFFICE



Office of the
Schools Division Superintendent

DIVISION MEMORANDUM

No. 416, s. 2026

July, 20, 2026

GUIDELINES ON THE PROCUREMENT OF GOODS AND SERVICES BY NON-IMPLEMENTING UNIT (NIU) SCHOOLS TO PREVENT THE INCURRENCE OF UNPAID OBLIGATIONS

To: Assistant Schools Division Superintendent
Chief, School Governance and Operations Division
Chief, Curriculum Implementation Division
Public Schools District Supervisors
Public Elementary and Secondary School Heads of Non-Implementing Unit Schools
All Others Concerned

1. Pursuant to **Republic Act No. 12009 (New Government Procurement Act)** and its **Implementing Rules and Regulations**, which require procurement to be undertaken only after proper procurement planning, availability of appropriations, and compliance with applicable procurement requirements; **Government Accounting Manual (GAM), Volume I**, which requires liabilities to be recognized only when valid obligations exist and are supported by complete documentary requirements; and **DepEd Order No. 008, s. 2019, as amended**, prescribing the guidelines on the utilization and management of School MOOE, this office issues the **"Guidelines on the Procurement of Goods and Services by Non-Implementing Unit (NIU) Schools to Prevent the Incurrence of Unpaid Obligations"**.
2. This aims to further strengthen fiscal discipline, ensure the prudent utilization of School Maintenance and Other Operating Expenses (MOOE), maintain sound financial management practices, and prevent the accumulation of unpaid obligations by Non-Implementing Unit (NIU) Schools.
3. The Schools Division Office recognizes that **Implementing Units (IUs)** and **Non-Implementing Unit (NIU) Schools** differ in their fiscal and financial management authority. **Implementing Units (IUs)** have greater financial autonomy, including the authority to manage their budget, recognize liabilities, and settle obligations in accordance with applicable accounting and auditing rules. In contrast, **Non-Implementing Units (NIU) Schools** receive School MOOE through fund transfers from the Schools Division Office and operate under a centralized financial



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management system. Accordingly, NIU Schools shall not enter into procurement transactions that will result in unpaid obligations due to insufficient School MOOE funds already transferred by the Schools Division Office.

4. **School Heads of NIU Schools** shall ensure that procurement activities are undertaken only when sufficient School MOOE funds have already been transferred and are available to fully settle the corresponding obligation upon delivery of goods or completion of services.
5. The following guidelines are further reiterated:
 - a. Procurement of goods, infrastructure, consulting, or non-consulting services shall be undertaken **ONLY** when sufficient School MOOE funds have already been transferred to the school;
 - b. School Heads shall **NOT ISSUE** Purchase Orders, Contracts, or any commitment to suppliers if payment cannot be made from the available School MOOE balance;
 - c. Procurement arrangements that will result in deferred payment, procurement on credit, or unpaid obligations due solely to the non-receipt of future fund transfers are **STRICTLY PROHIBITED**; and
 - d. Deliveries shall **NOT BE ACCEPTED** unless funds are available to settle the obligation in accordance with the agreed payment terms and applicable accounting and auditing regulations;
6. School Heads shall ensure that every procurement transaction is supported by:
 - a. an **approved** PPMP and APP, as applicable;
 - b. **availability** of School MOOE funds already transferred by the SDO;
 - c. **compliance** with Republic Act No. 12009 and its IRR;
 - d. **complete** supporting documents required by COA and DepEd
7. School Heads are further reminded of the following responsibilities:
 - a. **exercise prudence** in the utilization of School MOOE;
 - b. ensure that procurement commitments **do not exceed** available transferred funds;
 - c. **refrain** from entering into transactions that will **create unauthorized unpaid obligations**;
 - d. maintain **complete** documentary requirements; and
 - e. coordinate with the Accounting and Budget Units whenever clarification is **necessary before procurement is undertaken**.
8. The **Accounting Unit, Budget Unit, and School Governance and Operations Division** shall regularly monitor the procurement transactions and School MOOE utilization of Non-Implementing Unit Schools. Any procurement transaction resulting in unpaid obligations due to non-compliance with this Memorandum shall be reported to the Office of the Schools Division Superintendent for appropriate administrative action without prejudice to the application of pertinent

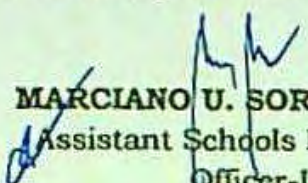
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Commission on Audit, Civil Service Commission, and other applicable laws, rules, and regulations.

9. Strict compliance by all concerned is hereby directed.


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Assistant Schools Division Superintendent
Officer-In-Charge
Office of the Schools Division Superintendent
