



Republic of the Philippines
Department of Education
REGION VIII
SCHOOLS DIVISION OF NORTHERN SAMAR

July 17, 2024

OFFICE MEMORANDUM
No. 010, s. 2024

CONDUCT OF PHYSICAL COUNT OF PROPERTY PLANT AND EQUIPMENT (PPE), RECOGNITION OF PPE ITEMS FOUND AT STATION, AND DISPOSITION FOR NON-EXISTING/MISSING PPE ITEMS FOR THE ONE-TIME CLEANSING OF PPE ACCOUNT BALANCES OF GOVERNMENT AGENCIES

To: Assistant Schools Division Superintendent
CID and SGOD Chiefs
EPSs/PSDSs/PICs
Unit/Section Heads
All Others Concerned

1. Pursuant to **Commission on Audit (COA) Circular No. 2020-006** dated January 31, 2020 with subject entitled, " Guidelines and Procedures in the Conduct of Physical Count of Property, Plant and Equipment (PPE), Recognition of PPE Items Found at Station, and Disposition for Non-existing/Missing PPE Items, for the One-time Cleansing of PPE Account Balances of Government Agencies", this Office hereby submits the Physical Inventory Plan (PIP) for Property, Plant and Equipment for the conduct of inventory taking in the schools and Division office from **August 1, 2024 to November 8, 2024**.
2. All concerned personnel are enjoined to prepare the necessary supporting documents relative to the implementation of this Inventory Plan
3. For immediate dissemination and guidance.

Enclosure 1: Physical Inventory Plan

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OIC - Schools Division Superintendent

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By: 141
Date: 7-21-24

**PHYSICAL INVENTORY PLAN (PIP) FOR THE CONDUCT OF
PHYSICAL COUNT OF PROPERTY PLANT AND EQUIPMENT (PPE)**

I. SCHEDULE OF ONE-TIME CLEANSING

Duration	Expected Output	Persons Responsible
July 15 - 19	<ul style="list-style-type: none"> • Formation of Inventory Committee • Physical Inventory Plan 	Accounting Unit Head - Deah Gamao, CPA
July 22 - 31	<ul style="list-style-type: none"> • Report of Physical Count of PPE (RCPPE) per school/unit and preparation of Property Cards, PARs per school • Inventory Working Paper for Conduct of Physical Count 	<ul style="list-style-type: none"> • School Heads - Administrative Officers/Property Custodian • Inventory Committee
August 1 - November 8	<ul style="list-style-type: none"> • Property Tags • New Property Accountability Receipts (PARs), Inventory Custodian Slip(ICS) • Updated Property Cards Inventory Count Form (ICF) per school/unit • Updated PPE Ledger Cards (PPELCs) per school/unit 	Inventory Committee
November 11-29	<ul style="list-style-type: none"> • Final Report of Physical Count of PPE (RCPPE) for submission to COA • Reconciled Property Cards (PCs) of Supply Unit and PPE Ledger Cards (PPELCs) of Accounting Unit • Reconciled Book Balances of each PPE account 	Inventory Committee

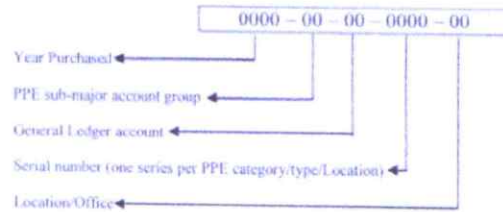
II. PRELIMINARY ACTIVITIES

1. Initiate coordination with respective schools to accomplish the **Report on Physical Count of Property, Plant and Equipment (RPCPPE)**

which will serve as inventory working paper in preparation for the actual taking of physical count by the Inventory Committee.

2. Provision of Property Tag design in conformity with the data requirements indicated in the Circular, as follows:

- 5.6 Each government agency shall adopt a uniform property identification system for PPE wherein a unique Property Number shall be assigned for each PPE item, using the following numbering system:

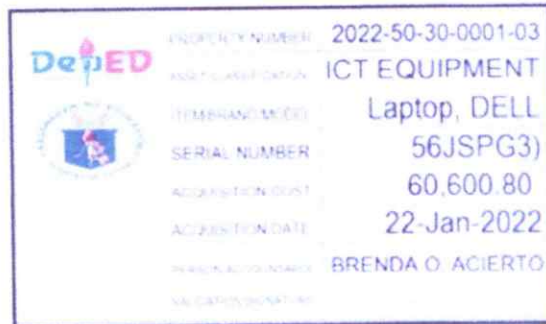


The codes for the PPE sub-major account group and General Ledger account correspond to those provided in the Revised Chart of Accounts prescribed under the Accounting Manuals of the respective Sectors (National, Local and Corporate).

Additional digits may be used for serial number and location/office, as necessary.

- 5.7 For easy identification, the Property Number shall be prominently shown in the property sticker, in addition to the following vital information on the PPE item:
 - a. Description of the property
 - b. Model Number
 - c. Serial Number
 - d. Acquisition Date/Cost
 - e. Person Accountable
 - f. Space for the validation/signature of the Inventory Committee

Sample Property Tag provided below:



3. Preparation of needed supplies and equipment (i.e., bar code printer, paper stickers, laptops) in property tagging and inventory taking.
4. Preparation of necessary forms and reports needed in the reconciliation period with the Accounting Unit, to wit:
 - 4.1 Property Cards
 - 4.2 Stock Cards
 - 4.3 Latest Report for Physical Count of Property Plant and Equipment (RCPPE)/Asset Registry per school/unit
 - 4.4 Printing of properties per Office
5. Reconciliation process

The Accounting Unit must undertake updating of its records of acquisition/disposal/transfer of PPE's in the PPEs in the PPE Ledger Cards (PPELCs). The updated PPELCs of Accounting must be cross-validated with the RPCPPE.

a. List of PPE Items which are recorded in the PPELCs but NOT included in the RPCPPE / Asset Registry / Physical Inventory Report.

b. PPE items which are included in the RPCPPE but NOT recorded in the PPELCs.

After the completion of reconciliation between the Supply Unit and the Accounting Unit, the reports will be used by the Inventory Committee as the Inventory Working Paper and as basis for inventory taking activities taking into consideration the capitalization threshold of P 50,000. 00.

III. DESIGNATION AND DUTIES OF PHYSICAL INVENTORY COMMITTEE

The Chairman of the Inventory Committee will assign the following roles of the members of the inventory committee to undertake the Physical Counting. The number of personnel to undertake the Physical Inventory Taking depends on the magnitude/scope of work.

Below are the responsibilities/actions to be taken by the Inventory Committee **during Physical Counting/Inventory Taking**:

PERSONS RESPONSIBLE	FUNCTIONS/ACTIVITIES
Inventory Committee (IC) Chairperson	Ensure that the inventory taking activities are executed in accordance with the approved PIP. In case there are planned activities/procedures that cannot be efficiently performed, the Inventory Committee shall keep records of the alternative activities/procedures undertaken and the reasons for deviation from the PIP.
Inventory Committee members	Conduct the actual physical count to validate existence, completeness and condition of PPEs owned by the agency.
IC – Supply Unit	1. Record/document the physical count daily in the Inventory Count Form (ICF) and indicate all relevant

	<p>information including but not limited to the following:</p> <ul style="list-style-type: none"> • New Property Number for property tagging • Condition of the PPEs such as: <ol style="list-style-type: none"> 1. In Good Condition 2. Needing Repair 3. Unserviceable 4. Obsolete 5. No Longer Needed 6. Not used since purchase/delivery • PPE items not included in the ICF but there is a reasonable basis to consider the same as owned by the agency shall be described as “found at station” which shall be indicated under the “Remarks” column of the ICF • PPEs included in the working papers but not found during physical count shall be indicated under the “Remarks” column of the ICF as “non-existing” or “missing”. • Identification of accountable officer for each PPE item for preparation of Property Accountability Form (PARs- for assets amounting to 50,000.00 and above) or Inventory Custody Slip (ICS – for semi-expendable assets amounting to 15,000.00 to less than 50,000.00). • Other relevant information that may be useful during the reconciliation process. <p>2. Consolidate ICF per school per PPE sub-major account group for preparation of new PARs, ICS, Property Cards and property tagging.</p>
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IC – Accounting Unit	<ol style="list-style-type: none"> 1. Work together with the Supply Unit to reconcile accounting records with the consolidated ICF per school. 2. Update PPE Property Ledger Cards (PPELCs) per school.
Representative from Commission on Audit (COA)	The entire inventory taking shall be witnessed/observed by the representative from COA.

Below are the responsibilities/actions to be taken by the Inventory Committee **after physical counting/inventory taking**:

PERSONS RESPONSIBLE	FUNCTIONS/ACTIVITIES
IC – Taggers (Supply Unit)	<ol style="list-style-type: none"> 1. Verify the Accountable Officer as indicated in the consolidated ICF per school. 2. Prepare and issue new PARS to accountable officers 3. Assign property tag for each asset based on the ICF. 4. Prepare, print and lay property tags for each PPE item in the ICF.
IC – Validators (Accounting Unit)	Property tagging - Countercheck the ICF, sign the space provided for in the sticker indicating therein the date of inventory. PPELC – Update
IC – Supply Unit	Prepare the New Report on Physical Count of Property, Plant and Equipment (RCPPE – Appendix 73 of GAM) based on the data from ICF. This shall be prepared in four (4) copies distributed as follows: Original – COA Copy 2 – Accounting Unit Copy 3 – Property/Supply Unit

	Copy 4 – Inventory Committee
<p>Reconciliation Process – Supply Unit and Accounting Unit</p>	<p>The Supply and Accounting Units shall undertake collaborative procedures to ensure that all PPEs included in the RPCPPE are duly recorded in their respective records and that the Property Cards (PCs) maintained are duly recorded in their respective records and that the Property Cards (PCs) maintained by the Property Unit and the PPELCs maintained by the Accounting Unit are reconciled. The reconciliation shall be completed within ten (10) days from rendition of the RPCPPE by the Inventory Committee. The following procedures shall be observed:</p>
<p>IC – Supply Unit</p>	<ol style="list-style-type: none"> 1. Prepare the consolidated Inventory Count Form (ICF) per PPE sub-major account group and submit to IC Chairperson for review (Annex A of the above-mentioned circular); 2. Prepare List of PPEs found at station (Annex B of the above-mentioned circular) and submit to accounting Unit for recording in the books of accounts; 3. Prepare a List of Non-Existing/Missing PPEs for items described as "non-existing" or "missing" (Annex C); 4. Prepare Inventory and Inspection Report of Unserviceable Property (IIRUP) for all PPEs found to be unserviceable, obsolete, and/or no longer needed. (Appendix 74 of GAM);

	5. Work together with the Accounting Unit to reconcile the PCs with the ~PELCs maintained by the Accounting Unit;
IC – Accounting Unit	<p>1. Take up the necessary accounting entries to recognize PPEs found at station and prepare/maintain corresponding PPELCs based on the List of PPEs Found at Station;</p> <p>2. Take up the necessary accounting entries to recognize loss of PPE and to set up the corresponding receivables from the concerned accountable officer/personnel (for missing non-existing PPEs), if any;</p> <p>3. Work together with the Property Unit in reconciling the PPELCs/SLs with the PCs maintained by the Property Unit;</p> <p>d. Update the PPELCs as necessary in the course of reconciliation.</p>

IV. SCHEDULE OF PHYSICAL INVENTORY TAKING

To ensure smooth undertaking of physical inventory checking, strict observance of the recommended schedule must be properly followed which shall be per unit/office/school. The process of conducting Physical Inventory Taking/Count will take place in a span of three months, as proposed below:

School Location	No. of Schools	Schedule (2024)
BIRI	11	August 1-2
CAPUL	12	August 5-7
SAN ANTONIO	9	August 8-9
SAN VICENTE	5	August 12
SAN ISIDRO	19	October 1-2
VICTORIA	18	October 3-4
ALLEN	17	October 7-8
LAVEZARES	28	October 9-11

ROSARIO	13	October 14-15
SAN JOSE	13	October 16-17
BOBON	19	October 21-22
LOPE DE VEGA	26	October 23-25
LAPINIG	15	August 13-14
GAMAY	26	August 15-16
MAPANAS	16	August 19-20
PALAPAG	36	August 21-23
LAOANG	67	September 9-13
CATUBIG	43	August 27-29
LAS NAVAS	63	August 30-September 6
SILVINO LUBOS	21	September 23-25
PAMBUJAN	25	September 16-18
SAN ROQUE	16	September 19-20
MONDRAGON	29	September 26-27, 30
CATARMAN	54	October 28-31
DIVISION OFFICE		November 4-8

V. SUBMISSION OF REPORT

On the basis of the COA approved derecognition, findings and reconciliation result of the actual inventory taking, the Inventory Committee shall submit the Final Annual Report of Physical Count of Property, Plant and Equipment to the COA.

The said report will now be the basis for the Accounting Unit to update its Property, Plant and Equipment Ledger Card (PPELC) and will serve as the beginning balance after the "One-Time Cleansing."