



Republic of the Philippines
 Department of Education
 Cordillera Administrative Region
 DIVISION OF BAGUIO CITY
 #82 Military Cut-off Road, Baguio City



DEPED DIVISION OF BAGUIO CITY
 JUN 23 2016
 RELEASED

Division Memorandum 168, s.2016

TO : Public Elementary and Secondary School Heads

SUBJECT : **REITERATION OF DEPED ORDER NO. 8 s. 2007 ON THE REVISED IMPLEMENTING GUIDELINES ON THE OPERATION & MANAGEMENT OF SCHOOL CANTEENS IN PUBLIC ELEMENTARY & SECONDARY SCHOOLS**

DATE : JUNE 22, 2016

1. It has come to the attention of the Schools Division Office that School Heads are not following the guidelines on the proceeds of the net income derived from the operation of the canteen.
2. Since there is no new issuance regarding canteen operation, all School Heads are advised to download DepEd Order No.8 s. 2007.
3. Be guided with Part VI of the order on the Specific Guidelines for School-Managed Canteens specifically on the proceeds of the net income derived from the operation of the canteen which shall be utilized for , but not limited to the following:

Supplementary feeding program for undernourished pupils/students	35%
School clinic fund	5%
Faculty and student development fund	15%
H.E. instructional fund	10%
School operations fund	25%
Revolving capital	10%
TOTAL	100%

4. Immediate dissemination of this memorandum is desired.

ATTY. AUGUSTIN P. LABAN III
 OIC-Schools Division Superintendent



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REPUBLIKA NG PILIPINAS
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KAGAWARAN NG EDUKASYON
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FEB 06 2007

DepED O R D E R
No. **8** , s. 2007

**REVISED IMPLEMENTING GUIDELINES ON THE OPERATION
AND MANAGEMENT OF SCHOOL CANTEENS IN PUBLIC
ELEMENTARY AND SECONDARY SCHOOLS**

To: Undersecretaries
Assistant Secretaries
Bureau Directors
Regional Directors
Directors of Services/Centers and Heads of Units
Schools Division/City Superintendents
Heads, Public Elementary and Secondary Schools

1.0 PURPOSE

These guidelines are hereby issued in order to rationalize the operation and management of school canteens in the public school system and to ensure that:

- 1.1 The school canteen shall help eliminate malnutrition among pupils/students.
- 1.2 The school canteen shall serve as a venue for the development of desirable eating habits of pupils/students.
- 1.3 The school canteen shall serve as a laboratory for Home Economics, retail trade and in the incidental teaching of health and nutrition. It shall provide hands-on training for students on planning, purchasing, handling and storage, preparation, serving and sale of safe and nutritious meals.
- 1.4 The school canteen guidelines shall serve as a mechanism to support the Department's response to the mandate of Article 2 of Republic Act No. 6938 to create an atmosphere that is conducive to the growth and development of cooperatives.

- 1.5 Service should be the main consideration for operating a school canteen. Profit shall only be secondary since the clientele are pupils/students who are dependent only on their meager allowance from their parents.
- 1.6 Reporting and accounting of the proceeds from the operation of a school canteen shall be made by the parties concerned to emphasize transparency and accountability.

2.0 COVERAGE

These guidelines shall apply to school canteens, as hereinafter defined, operating in public elementary and secondary schools of the Department of Education.

3.0 DEFINITION OF TERMS

As herein used, the following terms shall be understood to mean:

- 3.1 **School Canteen** – refers to one of the ancillary services in the school system that sells food items to the pupils/students and serves as a support mechanism in the effort to eliminate malnutrition concerns of the school. It can be used as a laboratory canteen on food planning, preparation, serving, storage and selling. A school canteen can either be school-managed or teachers’ cooperative-managed.
- 3.2 **School-Managed Canteen** – refers to a school canteen that is operated and managed by the school under the general supervision of the school head/principal.
- 3.3 **Teachers’ Cooperative Managed Canteen** – refers to a school canteen that is operated and managed by a duly registered teachers’ cooperative.
- 3.4 **Laboratory Canteen** – refers to the canteen operated and managed by secondary students as part of their H.E. classes. It can make use of the facilities of the school-managed canteen or the teachers’ cooperative-managed canteen in the absence of a separate room that they can use.
- 3.5 **Canteen Teacher** – refers to an H.E. teacher who has been designated to operate, manage and supervise the school-managed canteen. He/She also supervises the students doing practicum activities in the canteen.
- 3.6 **Administrative Expenses** – refers to general expenses of business operation such as salaries, supplies, water and electric bills, insurance, etc.

- 3.7 **Cost of Goods Sold** – is equal to the inventory at the beginning of the year, adding the cost of goods manufactured or purchased during the year, minus the inventory at the end of the year.
- 3.8 **Selling Expense** – refers to expenses of promoting, selling and distributing products which may include such items as advertising, commissions, delivery expenses, travel expenses and entertainment.
- 3.9 **Gross Margin** – refers to the difference between gross sales and cost of goods sold including cost of freight and production directly related to the preparation of food items.

4.0 POLICY STATEMENTS

- 4.1 School canteens shall be of two types: (1) School-Managed Canteen; (2) Teachers' Cooperative-Managed Canteen. Both shall adhere to professional management and sound business practices as well as to safety and security measures.
- 4.2 **Management of School Canteens in Elementary Schools**
- 4.2.1 Elementary Schools in the rural areas with 500 pupils or less and those in urban areas with 1,000 pupils or less shall have only one canteen to be operated and managed by the school under the general supervision of the school head/principal.
- 4.2.2 Where the enrolment size in rural elementary schools is more than five hundred (500) pupils and in urban elementary schools, more than one thousand (1,000) pupils, the existing duly registered teachers' cooperative that complies with the Criteria for Qualification herein set forth, shall manage and operate the school canteen. When there is no duly registered teachers' cooperative that is interested or qualified to operate and manage the canteen, the school shall operate and manage the same.
- 4.3 **Management of School Canteens In Secondary Schools**
- 4.3.1 Regardless of enrolment size, there shall be a laboratory canteen, as herein defined, in all secondary schools. When the student population is less than one thousand five hundred (1,500), the laboratory canteen shall also be the school managed canteen.
- 4.3.2 In addition to the laboratory canteen in secondary schools where the student population is more than one thousand five hundred (1,500), the existing duly registered and interested

teachers' cooperative in the school that complies with the Criteria for Qualification set forth shall be allowed to operate and manage another school canteen.

- 4.3.3 For special schools with an enrolment size of more than five hundred (500) students, the existing duly registered and interested teachers' cooperative in the school that complies with the Criteria for Qualification set forth shall be allowed to operate and manage another school canteen in addition to the laboratory canteen.
- 4.4 Only nutrient-rich foods such as root crops, noodles, rice and corn products in native preparation, fruits and vegetables in season, and fortified food products labeled rich in protein, energy, vitamins and minerals shall be sold in the school canteen. Beverages shall include milk, shakes and juices prepared from fruits and vegetables in season.
- 4.5 The sale of carbonated drinks, sugar-based synthetic or artificially flavored juices, junk foods and any food product that may be detrimental to the child's health and that do not bear the Sangkap Pinoy seal and/or did not pass BFAD approval is prohibited.
- 4.6 Iodized salt shall be used, in controlled quantity, in the preparation of cooked foods to ensure that the iodine requirement of the clientele shall be met and to eliminate iodine deficiency disorders. The use of monosodium glutamate (vetsin) shall be regulated.
- 4.7 A reasonable mark-up price for all merchandise in the canteen shall be allowed, provided that the selling retail price does not exceed the prevailing prices in the locality.
- 4.8 Sub-leasing the whole or part of the school canteen premises or sub-contracting the operation of the school canteen to concessionaires is prohibited.
- 4.9 Vendors shall not be allowed to bring in food items inside the school canteen/premises. Teachers and school personnel are likewise prohibited from selling food items within the school premises, except through the school canteen and unless authorized and covered by a written agreement with the school head/principal and/or the teachers' cooperative.

5.0 PROCEDURAL GUIDELINES

- 5.1 All school canteens are required to secure the following permits/clearances:

- (a) Sanitation Clearance/Permit from the local Health Department
- (b) Health Permit of canteen personnel/staff from the city/municipal health office
- (c) Authority from the school head/principal to Operate and Manage the School Canteen (for teachers' cooperatives only)

Clearances/Permit shall be permanently displayed in a conspicuous place in the school canteen. They shall remain valid for the duration of the school year.

5.2 All canteen personnel/staff are required to wear clean and proper attire (white shirt/polo/blouse, colored pants/skirt, hairnet, apron, appropriate footwear) at all times. They shall also wear their identification cards with photo when inside the premises of the canteen.

5.3 Reportorial Requirements

5.3.1. All entities operating and managing a school canteen, including the laboratory canteen, shall regularly prepare the following reportorial requirements to be submitted to the DepEd and/or CDA, whichever is applicable:

Category of Reports	Types of Reports	Date of Submission
Category A-1		
➤ To be submitted to the Department of Education, specifically to the school head in case of teachers' coop-managed, and division office in case of school-managed canteens	(1) Statement of Financial Condition (2) Statement of Operations (3) Statement of Cash Flows (4) Notes to Interim Financial Statement and Other Disclosures (5) Summary of Cost of Sales	Quarterly submission with deadline dates of May 15, August 15, November 15 and February 15
Category A-2		
➤ To be prepared and maintained at all times and posted on the school's bulletin board and/or in any conspicuous place within the school premises	(1) Bank Reconciliation (2) Schedule of Cost of Sales (3) Schedule of Operating Expenses (4) Schedule of Utilization of School Share Program Received from the Cooperative (5) Schedule of Utilization of Gross Income Generated	Monthly with deadline date of every 10 th of the following month

Category of Reports	Types of Reports	Date of Submission
	from the Canteen Laboratory (6) Statement of Receipts and Disbursements (7) Statement of Reports on Cooperatives' School Program Support (8) Schedule of Capitalization on the Operation of School Canteen	
Category B		
➤ To be submitted on an annual basis to or as required by the Cooperative Development Authority (CDA) (for teachers' cooperatives only), copy furnished the school head/principal	(1) Audited Financial Statements including notes and disclosures (2) Financial Performance Standards (3) Annual Report to CDA (4) List of Directors and Officers (5) Report on Crimes and Losses	➤ May 15 ➤ May 15 ➤ 60 days after end of fiscal year ➤ 30 days after the GA meeting; and 15 days following assumption of office ➤ To be submitted as crime/incident occurs, on the 5 th business day after knowledge of crime or incident

Note: Standards of Financial Reporting System shall be adopted by the cooperative as prescribed by the CDA; and by the organization as prescribed by the profession on accountancy

5.3.2 The school-managed canteen shall prepare its financial statements using the pro-forma copies of the monthly statement of operations and financial statements which are hereto attached as Annexes "B" and "C", respectively. Teachers' cooperatives managing school canteens shall follow the Standard Chart of Accounts for Consumers' Cooperatives and Those with Canteen And/Or Catering Services prescribed by the Cooperative Development Authority, which is hereto attached as Annex "D".

5.3.3 The school head/principal shall also post on the school's bulletin board a statement of receipts and disbursements, indicating the share it received from the teachers' cooperative managed canteen.

5.4 Accounting of Funds

5.4.1 A book of accounts and statement of sales and disbursements shall be maintained for recording daily transactions related to the operations of the canteen. Receipts and other similar documents shall be kept to support sales, purchases and disbursements made. The books of accounts should be kept up-to-date and made available for examination and inspection at any appropriate time by the school level auditing committee or the COA representative based in the division office.

5.4.2 For purposes of transparency and accountability, the school head/principal shall organize a school level auditing committee to be headed by a Mathematics department head/teacher, and Home Economics department head/teacher and the president of the faculty club as members. The committee shall look into the books of accounts at least once a month. The audited statement shall be posted on the school's bulletin board.

5.4.3 Canteen funds shall be audited by the school level auditing committee on a quarterly basis and by the Division COA Resident Auditor or his/her authorized representative twice a year. Audit findings shall be submitted to the Schools Division Superintendent through the school head/principal. Audited financial statements shall be posted on bulletin boards for the information of everybody.

5.5 Incentives received in cash or in kind from private suppliers of food items and beverages shall form part of the gross income of the school canteen and shall be part of the financial statement.

5.6 Adherence to Food Safety

5.6.1 Food safety standards shall be strictly enforced and adhered to at all times by complying with the following:

- (a) Availability of potable drinking water and hand washing facilities;
- (b) Well-maintained, clean, well-ventilated and pest-free environment;
- (c) Availability of food covers and containers for safekeeping;
- (d) Hygienic practices on food preparation, cooking display, serving and storage.

5.7 All canteen personnel, including practicum students, shall undergo training on proper and safe handling of food before they are allowed to work in the canteen.

- 5.8 No portion of the net income derived from canteen operations shall be set aside and in any manner, in favor of the Regional, Division or District Offices.

6.0 SPECIFIC GUIDELINES FOR SCHOOL-MANAGED CANTEENS

- 6.1 The school head/principal shall issue a written designation to a Home Economics teacher who shall be the Canteen Teacher. He/She is tasked to supervise canteen operations for a period not exceeding three (3) hours per day which is equivalent to four (4) EPP teaching periods. The rest of the required number of hours in a day's load shall be spent in actual teaching. In no case shall he/she be totally stripped/deprived of academic teaching load.

The Canteen Teacher shall be assisted by all Home Economics Teachers on rotation basis, the schedule of which shall be prepared by the school head/principal or his/her authorized representative.

- 6.2 In addition to the Canteen Teacher and other HE teachers, the school head/principal shall contract the services of additional qualified full-time canteen personnel, subject to availability of funds.
- 6.3 Indigent pupils/students who wish to work in the canteen shall be duly and reasonably compensated. Their employment shall only be done upon written consent of their parents. They shall only be allowed to work in the canteen outside their regular class schedule.
- 6.4 The Canteen Teacher shall be responsible in the preparation and submission of reports, and the books of accounts and statement of sales and disbursements required and enumerated in Procedural Guidelines 5.3.1 and 5.4.1, respectively.
- 6.5 The net income derived from the operation of the canteen shall be utilized for, but not limited to the following:

Supplementary feeding program for undernourished pupils/students	35%
School clinic fund	5%
Faculty and student development fund	15%
H.E. instructional fund	10%
School operations fund	25%
Revolving capital	10%
TOTAL	100%

- 6.6 Earnings and cash received from canteen operations shall be deposited daily in the nearest government depository bank. In the absence of such government depository bank, deposits shall be made at any nearest

reputable commercial bank. In no case shall the deposits be made in the personal account of any school official. A school-managed canteen shall have a bank account "in trust for" the name of the school, whereby the school head/principal and the Canteen Teacher shall be the joint signatories.

- 6.7 Based on the expected income of the school canteen, the school head/principal shall prepare an Annual Budget to be submitted to and approved by the Schools Division Superintendent or his/her representative at the start of every school year.
- 6.8 Disbursement of canteen funds shall be in accordance with the approved budget and existing accounting and auditing rules and regulations.
- 6.9 Teachers and canteen personnel shall be required to secure clearance from money and property accountabilities in relation to their involvement in the operation and management of the school canteen before they are allowed to retire and/or resign from government service, or transfer to other posts for purposes of re-assignment or promotion to a higher position.

7.0 SPECIFIC GUIDELINES FOR TEACHERS' COOPERATIVE-MANAGED CANTEENS

- 7.1 A teachers' cooperative shall be authorized to operate and manage a school canteen if it satisfies the following requirements:
 - (a) It is duly registered with the Cooperative Development Authority (CDA) with membership composing of incumbent teaching and non-teaching staff of the school at the time of its registration with the aforesaid agency.
 - (b) One of its primary purposes as reflected in its Articles of Cooperation and Constitution and By-Laws is the operation and management of a school canteen.
 - (c) It has been in existence for at least two (2) years at the time that it signified interest to manage the school canteen.
 - (d) It has the necessary equipment/utensils, facilities, furniture and other supplies such as forms and stationery that will be used in canteen operations.
 - (e) It will ensure the complete and continuous training for canteen personnel/staff on handling of food and food safety.

- (f) It is able to secure and present a certification from the CDA, or the federation where it is affiliated to, of its ability to hire qualified full-time manager and staff who are not holding civil service positions.
- (g) Its membership is composed of more than fifty percent (50%) of the teachers and non-teaching personnel of the school: Provided, that members who have retired, resigned or have been dismissed or otherwise removed from the service, shall not be included in the determination of compliance with the required membership.

Withdrawal of membership from the cooperative shall be made in accordance with the Cooperative Code of the Philippines, rules and regulations, guidelines and issuances of the cooperative.

The withdrawal of membership by members of the cooperative shall be made individually and in writing. Mass withdrawal of membership shall be presumed to have been made under duress or undue pressure.

The number of members who have withdrawn membership from the cooperative in violation of or not in accordance with existing laws, regulations and issuances of the CDA and those whose withdrawal of membership was made under duress or undue pressure shall not be considered in the determination of compliance

7.2 Documents required to be submitted

At least thirty (30) days prior to the start of canteen operations, the cooperative shall submit the following documents to the division office, through the school head/principal, for evaluation:

- (a) Copy of its registration with the CDA;
- (b) Copy of its Amended Articles of Cooperation and Constitution and By-Laws stating among others, its purpose in engaging in canteen and/or catering services;
- (c) Certificate of good standing issued by the CDA;
- (d) Resolution by the General Membership/Assembly signifying willingness, intention and readiness to operate and manage the school canteen, including the canteen development plan;
- (e) Copy of the approved memorandum of agreement between the cooperative and the school head/principal;
- (f) List of full-time management officers and their respective designations and salaries;
- (g) Bio-data sheets, statement of assets and liabilities, income tax returns, and statement of income and expenses of directors/officers;
- (h) Chart of organization (includes names of officers, functions and responsibilities, and the designations of positions);

- (i) Copy of the bonds of accountable officers/employees; and
- (j) Certification by the chairman of the board authorizing the canteen manager to coordinate with the H.E. canteen teacher on the schedule of practicum activities in the teachers' cooperative-managed canteen.

7.3 Within thirty (30) days upon receipt of the required documents, the schools head/principal shall issue to the applicant teachers' cooperative the "Authority to Operate and Manage the School Canteen" if the documents submitted are complete. The teachers' cooperative shall display at its business office a sign with the following words: AUTHORIZED BY DepED TO MANAGE AND OPERATE THE SCHOOL CANTEEN. If the documents are found inadequate, the same shall be returned within seventy two (72) hours.

7.4 Memorandum of Agreement

7.4.1 As a rule, a memorandum of agreement shall be entered into by and between the school head/principal and the chairperson of the teachers' cooperative as a required document to be submitted to the Schools Division Superintendent. The MOA shall have a term of three (3) years and may be renewed every three (3) years thereafter.

7.4.2 Upon the termination of the MOA and when the teachers' cooperative ceases to operate the school canteen, the cooperative shall retain ownership of all properties it acquired for the operation thereof, except those properties or improvements which cannot be removed from the premises of the canteen without causing substantial damage thereto. Any arrangements pertaining to other facilities/equipment in the school canteen shall be subject to the individual MOA between the cooperative and the school head/principal.

7.5 Approval of Memorandum of Agreement (MOA)

7.5.1 The school head/principal and chairperson of the teachers' cooperative shall have thirty (30) days upon receipt thereof within which to sign and approve the Memorandum of Agreement.

7.5.2 In view of this, upon receipt of the proposed MOA by the school head/principal, he/she shall within ten (10) days make a written reply to the chairperson of the teachers' cooperative indicating therein his/her comment, objection, counter-proposal on the terms and conditions stipulated in the MOA. Thereafter, within the aforesaid period of thirty (30) days, the school head/principal

and the chairperson of the teachers' cooperative shall meet and mutually agree on the terms and conditions of the MOA.

7.5.3 Failure on the part of the school head/principal to notify the teachers' cooperative concerned of his/her comments, objections, and counter-proposal within the aforesaid period of ten (10) days, shall be construed to mean that he/she has fully agreed with the terms and conditions stipulated therein. Hence, there will be no reason for the school head/principal not to approve and sign the MOA.

7.5.4 After the lapse of the thirty (30) day period and no MOA has been executed by the parties concerned due to refusal of the school head/principal to sign it without valid reason, the party aggrieved by such refusal may bring the matter by way of an appeal to the Division/City Superintendent concerned, who in turn shall act on it within a period of fifteen (15) days from receipt thereof. The decision or resolution of the Division/City Superintendent shall be appealable to the Regional Director within fifteen (15) days from receipt thereof.

7.6 Renewal of Existing Memorandum of Agreement (MOA)

7.6.1 The school head/principal and chairperson of the teachers' cooperative shall have thirty (30) days upon receipt of the proposal to renew the existing MOA, execute a new Memorandum of Agreement covering the operation and management of the school canteen by the teachers' cooperative for another term.

7.6.2 In order not to interrupt the operation of the school canteen managed by the teachers' cooperative, a written notice to renew and to continue the operation and management of the school canteen shall be submitted to the school head/principal at least thirty (30) days before the expiration of the original and/or existing MOA together with the draft new MOA. Upon receipt thereof, the school head/principal, within ten (10) days, shall make a written reply to the chairperson of the teachers' cooperative indicating therein his/her comment, objections and/or counter-proposal on the terms and conditions stipulated in the draft new MOA. Thereafter, within the aforesaid period of thirty (30) days, the school head/principal and the chairperson of the teachers' cooperative shall meet and mutually agree on the terms and conditions of the new MOA and amendments, if there are any.

7.6.3 Failure on the part of the school head/principal to notify the teachers' cooperative concerned of his/her comment, objection

and/or counter-proposal within the aforesaid period of ten (10) days, shall be construed to mean that he/she has fully agreed with the terms and conditions stipulated therein.

- 7.6.4 After the lapse of the thirty (30) day period and no renewal of the MOA has been made by the parties concerned due to refusal of the school head/principal to sign it without valid reason, the party aggrieved by such refusal may bring the matter by way of an appeal to the Division/City Superintendent concerned, who in turn shall act on it within a period of fifteen (15) days from receipt thereof. The decision or resolution of the Division/City Superintendent shall be appealable to the Regional Director within fifteen (15) days from receipt thereof.
- 7.7 A copy of the pro-forma Memorandum of Agreement is hereto attached as Annex "A" for reference.
- 7.8 Use of Canteen Facilities
- 7.8.1 The teachers' cooperative may be allowed to use the existing canteen facilities rent-free for its operations. However, the cost of repair, maintenance and expansion of the said facilities shall be borne by the teachers' cooperative. Separate water and light meters shall be installed in the canteen and bills covering water and electricity consumed in the aforesaid school canteen shall be borne by them. The teachers' cooperative shall be given a grace period of three months from the start of its canteen operations to effect the installation of separate water and light meters.
- 7.8.2 The teachers' cooperative may allocate a small space within its school canteen premises, which shall not be more than one-eighth (1/8) of the floor area and must be enclosed, where consumer goods/items may be sold to its members or where the cooperative may undertake other business ventures. Such consumers' store and other business ventures of the teachers' cooperative within the canteen or school premises are not covered under these guidelines; instead, these shall be covered by a separate agreement between the school head/principal and the chairperson of the teachers' cooperative.
- 7.8.3 The school shall be free from damages and any liability that may arise from the teachers' cooperative's operation of the school canteen and use of its facilities.
- 7.9 The teachers' cooperative shall not allow any of its officers and members to use his/her/their official time in attending to and supervising the activities, operations and management of the school canteen.

7.10 Sharing of Proceeds

The sharing of the gross margin derived from the teachers' cooperative-managed canteen shall be as follows:

- (a) Eighty percent (80%) for the teachers' cooperative and twenty percent (20%) for the school. However, the school head/principal and teachers' cooperative may agree on other percentage of sharing depending on the peculiar situation of the school: Provided that the share of the school shall not be less than twenty percent (20%). Remittance of the school share shall be due every fifth day of the month.
- (b) The school head/principal or his/her duly authorized representative shall receive the school share from the teachers' cooperative and issue the corresponding acknowledgment receipt duly signed by the school head/principal or his/her duly authorized representative. Any authorized disbursement made chargeable against such share shall be recorded, accounted for and supported by receipts.
- (c) The share of the school shall be utilized as follows:

Supplementary feeding program for undernourished pupils/students	35%
School clinic fund	5%
Faculty and student development fund	15%
H.E. instructional fund	10%
School operations fund	35%
TOTAL	100%

7.11 All resolutions, decisions and actions taken by the Board of Directors of the teachers' cooperative relative to finances, privileges and benefits accruing to the membership of the Board shall be reported to the General Assembly during its annual meeting for confirmation.

7.12 Designation of Coordinator

7.12.1 The teachers' cooperative shall assign its canteen manager to coordinate with the H.E. Department on the schedule of practicum activities in the teachers' cooperative-managed canteen. Food items produced by the H.E. classes during their practicum may be sold in the canteen and any proceeds generated from it shall form part of the revolving fund created for this purpose.

8.0 SPECIFIC GUIDELINES FOR LABORATORY CANTEENS

- 8.1 Every secondary school, regardless of its enrollment size, shall have a laboratory canteen where students shall be trained on food planning, preparation, retail trade, selling and safety as part of their H.E. classes. It shall be supervised by the designated H.E. canteen teacher.
- 8.2 The designated H.E. canteen teacher shall prepare the schedule of service of the practicum students. Such schedule shall be approved by the H.E. Department Head or the school head/principal.
- 8.3 The designated H.E. canteen teacher shall ensure the full participation of the pupils/students in the planning, purchasing, handling, storage, preparation, serving and sale of safe and nutritious foods/meals.
- 8.4 The schedule of the practicum students shall be posted on a bulletin board within the school canteen premises. No pupil/student shall serve in the canteen beyond his/her practicum schedule.
- 8.5 Income derived from the laboratory canteen shall be utilized as follows:

Supplementary feeding program for undernourished pupils/students	40%
Student development fund (laboratory subsidy, skills training, contests)	30%
H.E. development fund	30%
TOTAL	100%

9.0 GROUNDS FOR TERMINATION OF OPERATION OF THE SCHOOL CANTEEN

- 9.1 Any deviation from the guidelines particularly the operational practices that prove detrimental and prejudicial to the welfare of the pupils/students, teachers and the school in general that may be committed by the school or the teachers' cooperative shall be a ground for termination of the operation of the school canteen. Any violation of the terms stipulated in the MOA shall be sufficient ground for the termination of the MOA and the suspension of the privilege of the teachers' cooperative to manage and operate the school canteen.
- 9.2 For purposes of these guidelines, the following acts are considered detrimental and prejudicial to the students and pupils
 - (a) Failure and/or neglect to submit financial report – The failure to submit the monthly financial report within thirty (30) days after the end of each regular monthly operation or failure to submit the

audited annual financial report within sixty (60) days after the end of each fiscal year.

- (b) Sub-leasing the whole or part of the school canteen premises – All entities operating school canteens shall not sub-lease to any third party the whole or part of the school canteen premises. Neither shall private concessionaires be allowed to be involved in the operations of the school canteen.
- (c) Selling of cigarettes and/or intoxicating beverages to students and/or condoning the use thereof within the school canteen premises.
- (d) Failure to secure the necessary permits including annual health and sanitation permits as above-mentioned and to have them posted in the mentioned places.
- (e) Failure to report and account for donations and incentives received from private suppliers of food items and beverages.
- (f) Use or disbursement of canteen funds contrary to the provisions of these rules and guidelines which includes devoting and re-aligning said funds to any other endeavor not included in these guidelines.
- (g) Compelling the pupils/students to buy or consume all food items from the canteen and prohibiting them to bring their own “baon” or food to school; in the same manner, compelling the teachers to dispose of all the food items in the canteen tray under the supervised recess (for elementary schools).
- (h) Compelling a pupil/student to perform canteen related tasks that are detrimental to his/her welfare
- (i) Failure to deposit the proceeds of the canteen in the account that is “in trust for” the school. Similarly, depositing the proceeds of the canteen in the name of a person not mentioned in these guidelines or into private or personal accounts, including those in the name of the school head/principal or teacher-in-charge.
- (j) Failure to present upon request of the proper authorities, such as the school head/principal, the school level auditing committee, and the Commission on Audit, the financial documents pertaining to the operations of the school canteen.
- (k) The use of the canteen premises for any other endeavor not included or sanctioned by these guidelines including, but not limited to, the use of the canteen as warehouse or stockroom of prohibited items and/or food and beverage expressly prohibited in these guidelines

including all other merchandise which are not for the use of the school canteen and which do not belong to the school.

- (l) All other violations of the terms and conditions of the Memorandum of Agreement or any of the provision of these guidelines which are analogous to the foregoing.

10.0 MONITORING AND ENFORCEMENT

10.1 Monitoring teams in the regional and division offices shall be created to ensure adherence to standards on quality, handling, and serving of food, and canteen equipment/facilities in the school canteens and that food safety standards and hygienic practices are strictly observed and implemented. It shall also monitor adherence to the guidelines on the operation of school canteens which shall be integrated in its monitoring of health and nutrition program and projects at the division level. The monitoring team shall be composed of the following:

- Regional Office
 - Medical Officer V / Dentist III
 - ES II (Science and Health / Nutrition / HE / THE)
 - Nutritionist-Dietitian
- Division Office
 - Medical Officer IV / Dentist II
 - ES I (Science and Health / Nutrition / HE / THE)
 - Nurse-In-Charge
 - Nutrition Coordinators

10.2 Grievance Mechanism

- (a) Complaints from parents or concerned individuals of the community pertaining to canteen management and operations, i.e. pricing, quality of foods, etc., shall be filed and settled with the division grievance committee in the case of school-managed canteens; and with the school grievance committee in the case of complaints against a teachers' cooperative-managed canteen. The provisions of the grievance procedure under the DepED Rules of Procedures shall govern the conduct of the proceedings without prejudice to the application of other pertinent rules that may be applied suppletorily.
- (b) Any grievance arising from any form of dissatisfaction relative to the operations of the canteen which does not constitute an administrative disciplinary action shall be submitted to the

appropriate grievance committee and which shall be decided by the latter within five (5) days from the termination of the grievance proceedings. A copy of such decision and report of the findings of the grievance committee shall be furnished the parties and the school head/principal.

- (c) In the case of dispute involving a teachers' cooperative-managed canteen, any party dissatisfied with the findings of the decision of the School Grievance Committee may elevate the same to the Division Grievance Committee, whose decision shall be appealable to the Regional Grievance Committee within fifteen (15) days from notice thereof.

10.3 Sanctions

- (a) Any violation of the foregoing guidelines in the case of the teachers' cooperative-managed canteen shall warrant the termination of the operations of the canteen after due notice to the parties concerned which shall proceed after a summary hearing on the matter and after due process.
- (b) For other violations not mentioned in the preceding section, which are considered simple violations, a warning shall be issued by the school head/principal for the first infraction and a repeat of such violations shall warrant an investigation and shall thereafter, in the interest of the students and the pupils and the welfare of the school, be a ground to terminate the Memorandum of Agreement entered into between the parties pertaining to the operations of the school canteen.
- (c) In the case of school-managed canteens, any violation of these guidelines shall warrant appropriate administrative sanctions against the school head/principal and other canteen teachers who are directly or indirectly involved in the operations of the school canteen and who are classified as canteen designated teachers as defined under these guidelines.
- (d) In the same manner, such violations of the school head/principal including the canteen-designated teachers shall be dealt with administratively after due notice and hearing.
- (e) In all the foregoing, such persons accountable for violations of these guidelines shall, aside from the administrative sanctions, also be liable both criminally and civilly, when such violations warrant.

11.0 EXCLUSIVITY OF JURISDICTION

- 11.1 The School Grievance Committee or the Division Grievance Committee, as the case may be, shall have exclusive original jurisdiction over all complaints and/or grievances arising from or relative to the operations of the school canteens. Any complaint and/or grievance brought directly to the office of the Schools Division/City Superintendent, the office of the Regional Director, or the Office of the Secretary shall be dismissed and referred to the appropriate School or Division Grievance Committee.

12.0 VENUE OF ACTION

- 12.1 In cases of actions arising from conflicts relative to the operations of the school canteen brought before and cognizable by judicial bodies in case of civil actions, the contracting parties to the Memorandum of Agreement shall be encouraged to agree to the venue of the action to be placed in the appropriate courts of the city or municipality where the school sits.

13.0 REPEALING CLAUSE

- 13.1 All existing guidelines, memoranda, orders and other issuances of similar nature which are inconsistent with this Order are hereby deemed repealed and superseded.

14.0 TRANSITORY PROVISIONS

- 14.1 The Department maintains the policy that there is no valid contract of lease of a school canteen to a private concessionaire as declared in DepED Order No. 95, s. 1998 which took effect on November 10, 1998. Pursuant to said policy, all contracts of lease of school canteens to private concessionaires executed or renewed after November 10, 1998 are hereby deemed terminated for being contrary to law and public policy. Violations of this policy shall be dealt with administratively.
- 14.2 Except those entered into in violation of DepED Orders, circulars and other issuances, pre-existing Memorandum of Agreement on the operation of school canteens with teachers' cooperatives that may be disqualified under the current guidelines shall remain effective subject to the compliance by the cooperative with the Criteria for Qualification herein set forth within six (6) months from the effectivity of this Order. Otherwise, the same shall be deemed terminated.

- 14.3 A teachers' cooperative with a valid pre-existing Memorandum of Agreement shall not be removed or otherwise displaced from the space where it is currently operating the school canteen.
- 14.4 Pre-existing MOAs which provide for a term exceeding three (3) years are hereby amended accordingly subject to renewal by the contracting parties to another term of not more than three (3) years.
- 15.0 These guidelines shall take effect immediately. Wide dissemination of this Department Order to all concerned is desired.


JESLI A. LAPUS
 Secretary

Encls.:
As stated

Reference:
DepED Orders: Nos. 95, s. 1998 and 72, s. 1999

Allotment: 1—(D.O. 50-97)

To be indicated in the Perpetual Index
under the following subjects:

- CHANGE
- COOPERATIVES
- POLICY
- RULES AND REGULATIONS
- SCHOOLS

Inclosure No. 1 to DepED Order No. 8, s. 2007

ANNEX "A"

PROFORMA MOA FOR THE MANAGEMENT AND OPERATION OF SCHOOL CANTEENS BY TEACHERS' COOPERATIVES

MEMORANDUM OF AGREEMENT

KNOW BY ALL MEN BY THESE PRESENTS:

This Memorandum of Agreement is entered into by and between:

_____ (Name of Teachers' Cooperative)

a teachers' cooperative duly organized and registered under Philippine laws with CDA Registration No. _____ and with office address at

_____ (Office Address of the Teachers' Cooperative)

and represented in this act by its duly authorized President/Chairperson,

_____ hereinafter referred to as the "COOPERATIVE;"

and

the DEPARTMENT OF EDUCATION, a government entity under Philippine laws, with office address at Meralco Avenue, Pasig City, and represented in this act by its duly authorized representative,

_____ (Name of School Principal)

Principal of

_____ (Name of School and Address)

and

_____ (Name of City/Division Schools Superintendent)

Superintendent of the Division of

and hereinafter referred to as "DepED."

WITNESSETH: That –

WHEREAS, R.A. No. 6938, otherwise known as the Cooperative Code of the Philippines provides under Article 2 thereof that it is the declared policy of the state to foster the creation and growth of cooperatives as a practical vehicle for promoting self-reliance and harnessing people power towards the attainment of economic development and social justice;

WHEREAS, in response to this mandate, the DepED strongly supports the organization of cooperatives among teachers and non-teaching personnel of DepED to train them to be entrepreneurs and to enable them to improve their financial standing;

WHEREAS, in line with this, DECS Order No. 55, s. 1996 as amended by DECS Order No. 95, s. 1998 and DECS Order No. 72, s. 1999, mandated the turn over of school canteens to teachers' cooperatives;

WHEREAS, DepED Order No. 8, s. 2007 provides for the revised implementing guidelines for the management and operation of school canteens in public elementary and secondary schools, including those that are managed and operated by the COOPERATIVE;

WHEREAS, the COOPERATIVE meets the criteria provided for under said DepED Order No. 8, s. 2007 for the management and operation of the canteen of

(Name of School)

NOW THEREFORE, premises considered, the parties hereby agree on the following terms and conditions of this Memorandum of Agreement:

1. Responsibilities of DepED

The DepED shall allow the COOPERATIVE to manage and operate a canteen in an available suitable area within the school premises rent free upon signing of this MOA.

The DepED shall not allow the operation of another canteen and other forms of food vending activities by any party, except for the school-managed canteen, or laboratory canteen in the case of secondary schools, within the school premises nor allow access thereto to street vendors and other unsupervised and unregulated food sources.

The DepED shall designate a Home Economics teacher who shall ensure the continued use of the school canteen as a laboratory for the students/pupils. He/She shall prepare the schedule of the pupils/students who will undergo practicum activities in the school canteen, and he/she shall ensure that such schedule is strictly followed. He/She shall also ensure the full participation of the students/pupils in the planning, purchasing, handling

and storage, preparation, serving and sale of safe and nutritious meals as part of their laboratory classes.

The DepED, through the Regional Directors and Schools Division Superintendents, shall create monitoring teams in the regional and division offices which shall conduct periodic inspection on the quality, handling and serving of food, canteen equipment/facilities, and sanitation. The monitoring team shall ensure that food safety standards and hygienic practices are strictly observed and implemented.

The DepED, through the school principal or his/her duly authorized representative, shall receive its share amounting to ____% of the gross margin derived by the COOPERATIVE from canteen operations and shall issue the corresponding acknowledgment receipt accordingly. Such share of the school must be utilized in accordance with the pertinent provisions of DepED Order No. 8, s. 2007. The statement of receipts and disbursements shall be conspicuously posted on the school's bulletin board for public access.

The school principal, in behalf of DepED, shall provide proper support for the viable operations of the school canteen by implementing rules and regulations that would promote order, discipline, and cleanliness in the school premises, particularly in the vicinity of the canteen.

The DepED shall observe due process in the event of pre-terminating this MOA and returning the operations of the school canteen to the school administrator.

2. Responsibilities of the COOPERATIVE

The COOPERATIVE shall hire a full time manager and canteen staff to manage and operate the school canteen and shall see to it that none of its officers and members shall use their official time in attending to the activities of the school canteen.

The COOPERATIVE shall be responsible for the quality and handling of food served, canteen sanitation, the proper use of facilities, and in making available its canteen facilities for laboratory purposes of the students/pupils as required by the designated home economics teacher.

The COOPERATIVE shall designate a teacher-board member who shall coordinate with the school's designated home economics teacher on the schedule of practicum activities in the cooperative-managed canteen.

The COOPERATIVE shall see to it that the hired canteen personnel/staff involved in the preparation and serving of food and beverages shall undergo training and continuous education on the proper handling of food. They shall secure certificate(s) of good health from the local/provincial/city/municipal health office and shall observe personal hygiene. They shall also be required to wear clean and proper attire when inside the school canteen premises. The certificates of good health with the ID photo of the hired helpers shall be conspicuously posted within the canteen premises and must be renewed every year.

The COOPERATIVE shall provide cheap, sanitary and nutritious food such as fresh milk, fresh fruits, fruit drinks, boiled root crops, high calorie indigenous recipes and the like and shall use iodized salt in food preparation. The daily cooked food menu indicating the nutritional requirements must be posted on a bulletin board within the canteen premises.

The COOPERATIVE shall not sub-lease the whole or part of the school canteen premises or to sub-contract the operation of said school canteen to third parties.

The COOPERATIVE shall be responsible for repairs of the school canteen premises and facilities due to normal wear and tear.

The COOPERATIVE shall install separate water and electric meters for the school canteen and shall be responsible for the payment of bills for the use of said utilities.

Upon termination of this MOA and when the COOPERATIVE ceases to operate the school canteen, the COOPERATIVE shall retain ownership of all properties acquired by it for the operation thereof, except those properties or improvements which cannot be removed from the premises of the canteen without causing substantial damage thereto.

The COOPERATIVE shall prepare monthly statement of operations and schedules prescribed in DepED Order No. 8, s. 2007 which shall be posted on the school's bulletin board for public access. At the end of the school year, it shall also post on the school's bulletin board its audited annual financial statement.

The COOPERATIVE shall hold the DepED free and harmless from any and all liabilities and damages that may arise from its operation and management of the school canteen.

3. Term of the MOA

The term of this MOA is for a period of three (3) years starting on the date of this MOA. This MOA may be renewed under the same terms and conditions for another _____ years, upon notice in writing given by the COOPERATIVE thirty (30) days prior to its expiration. Failure of the COOPERATIVE to give said notice shall be construed as lack of interest on the part of the COOPERATIVE to continue managing and operating the school canteen.

4. Sharing of the Gross Margin Derived from the Operation of the School Canteen

The sharing of gross margin derived from the operation of the school canteen shall be on a _____ basis, _____ percent (____ %) for the COOPERATIVE and _____ percent (____ %) as the share of the school which shall be computed and remitted *daily/weekly/monthly* by the COOPERATIVE to the school. The share of the school shall be utilized in accordance with the pertinent provision of DepED Order No. 8, s. 2007.

The COOPERATIVE shall maintain proper books of accounts on the operation of the school canteen which shall be open for inspection and audit by the duly authorized representative of the school principal in the determination of the gross margin and the corresponding _____ percent (____ %) share of the school. The same books of accounts shall be made available for inspection at any time by the monitoring team of the division office and regional office.

5. Amendments

This MOA, or any part thereof, may be amended on the basis of a review of the terms and conditions after a period of _____ (____) year/month. Any amendments/ additions/modifications or supplement to this MOA must be made in writing and signed by all parties concerned.

6. Pre-Termination of the MOA

This MOA may be pre-terminated by DepED if the COOPERATIVE is found guilty of operational practices that are detrimental or prejudicial to the welfare of the pupils/students, teachers and the school in general, or if it violates the operational management guidelines provided under DepED Order No. 8, s. 2007.

The school principal shall submit in writing the specific reasons for pre-terminating this MOA, with supporting documents, to the Division Superintendent, which shall in turn conduct its proper investigation and make the necessary action and decision which shall be appealable to the Regional Director within fifteen (15) days after receipt thereof.

IN WITNESS WHEREOF, the parties have affixed their signatures this ____ day of _____ at _____.

(COOPERATIVE)

DEPARTMENT OF EDUCATION

by:

by:

(President/Chairperson)

(School Principal)

and

(Schools Division Superintendent)

Signed in the Presence of:

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
) s.s.

BEFORE ME, a Notary Public for and in _____, this day of _____, 20 ____, personally appeared the following affiants:

	Name	Community Tax Receipt	Date/Place Issued
1			
2			
3			

known to me and to me known to be the persons who executed the foregoing Memorandum of Agreement consisting of ____ (___) pages including this page where the acknowledgment is written which are signed by the parties and their witnesses in every page. They acknowledged before me that this is their own voluntary act and deed.

WITNESS MY HAND AND SEAL.

NOTARY PUBLIC

Doc. No. _____ ;
Page No. _____ ;
Book No. _____ ;
Series of 20 _____.

PRO-FORMA ANNUAL STATEMENT OF OPERATIONS
 (For School-Managed Canteen Operations)

(Name of School)
 (Address of School)

STATEMENT OF OPERATIONS
 For the Period Ending December 31, _____

	Current Year	Previous Year
REVENUES		
<u>Net Sales</u>		
Sales (Gross)	xxx	xxx
Sales Returns and Allowances	(xxx)	(xxx)
Sales Discounts	(xxx)	(xxx)
	xxx	xxx
<u>Cost of Sales</u>		
Purchases	xxx	xxx
Purchase Returns and Allowances	(xxx)	(xxx)
Purchase Discounts	(xxx)	(xxx)
Freight In	xxx	xxx
Inventory	xxx	xxx
GROSS PROFIT	xxx	xxx
Add: Other Operating Income	xxx	xxx
GROSS INCOME FROM OPERATIONS	xxx	xxx
EXPENSES		
SELLING COSTS		
Salaries and Wages	xxx	xxx
Employees' Benefits	xxx	xxx
SSS/ECC/Philhealth/Pag-Ibig Contributions	xxx	xxx
Officers' Honorarium and Allowances	xxx	xxx
Office Supplies	xxx	xxx
Store Supplies	xxx	xxx
Storage/Warehousing Expense	xxx	xxx
Power, Light and Water	xxx	xxx
Travel and Transportation	xxx	xxx
Insurance	xxx	xxx
Royalties	xxx	xxx
Repairs and Maintenance	xxx	xxx
Rental	xxx	xxx
Taxes and Licenses	xxx	xxx
Communication Expense	xxx	xxx
Representation Expense	xxx	xxx

PRO-FORMA ANNUAL STATEMENT OF OPERATIONS
(For School-Managed Canteen Operations)

(Name of School)
(Address of School)

STATEMENT OF OPERATIONS
For the Period Ending December 31, _____

	Current Year	Previous Year
Advertising and Promotion	xxx	xxx
Spoilage and Breakage	xxx	xxx
Provision for Probable Losses and Accounts Receivables	xxx	xxx
Commission Expense		
Delivery Expenses	xxx	xxx
Gas, Oil and Lubricants	xxx	xxx
Depreciation and Amortization	xxx	xxx
Total Selling Costs	xxx	xxx
ADMINISTRATIVE COSTS		
Salaries and Wages	xxx	xxx
Employees' Benefits	xxx	xxx
SSS/ECC/Philhealth/Pag-Ibig Contributions	xxx	xxx
Officers' Honorarium and Allowances	xxx	xxx
Office Supplies	xxx	xxx
Store Supplies	xxx	xxx
Storage/Warehousing Expense	xxx	xxx
Power, Light and Water	xxx	xxx
Travel and Transportation	xxx	xxx
Depreciation and Amortization	xxx	xxx
Insurance	xxx	xxx
Repairs and Maintenance	xxx	xxx
Rental	xxx	xxx
Taxes and Licenses	xxx	xxx
Professional Fees	xxx	xxx
Communication Expense	xxx	xxx
Representation Expense	xxx	xxx
Periodicals, Magazines and Subscription	xxx	xxx
Gas, Oil and Lubricants	xxx	xxx
Miscellaneous Expense	xxx	xxx
Provision for Probable Losses and Accounts Receivables	xxx	xxx
Total Administrative Costs	xxx	xxx
TOTAL EXPENSES	(xxx)	(xxx)
NET INCOME DERIVED FROM OPERATIONS	xxx	xxx

PRO-FORMA ANNUAL STATEMENT OF OPERATIONS
 (For School-Managed Canteen Operations)

(Name of School)
 (Address of School)

STATEMENT OF OPERATIONS
 For the Period Ending December 31, _____

		Current Year	Previous Year
UTILIZATION OF NET INCOME			
Supplementary Feeding Program for Undernourished			
Pupils/Students	(35%)	xxx	xxx
School Clinic Fund	(5%)	xxx	xxx
Faculty and Student Development Fund	(15%)	xxx	xxx
H.E. Instructional Fund	(10%)	xxx	xxx
Schools Operations Fund	(25%)	xxx	xxx
Revolving Capital	(10%)	xxx	xxx
TOTAL UTILIZATION OF NET INCOME	(100%)	xxx	xxx

Prepared by:

Certified Correct:

PRO-FORMA ANNUAL STATEMENT OF FINANCIAL CONDITION
 (For School-Managed Canteen Operations)

(Name of School)
 (Address of School)

STATEMENT OF FINANCIAL CONDITION
 December 31, _____

	Current Year	Previous Year
ASSETS		
Cash and cash equivalents	xxx	xxx
Accounts receivables	xxx	xxx
Inventory	xxx	xxx
Investments	xxx	xxx
Property, plant and equipment at cost	xxx	xxx
Less: Accumulated depreciation	(xxx)	(xxx)
TOTAL ASSETS	xxx	xxx
LIABILITIES		
Trade Payable	xxx	xxx
Interest Payable	xxx	xxx
Income Taxes Payable	xxx	xxx
Other Payables	xxx	xxx
TOTAL LIABILITIES	xxx	xxx
EQUITY		
School Revolving Capital	xxx	xxx
Add: Net Income Derived from Operation of Canteen	xxx	xxx
TOTAL EQUITY	xxx	xxx
TOTAL LIABILITIES AND EQUITY	xxx	xxx

Prepared by:

Certified Correct:

PRO-FORMA STATEMENT OF RECEIPTS, DISBURSEMENTS AND UTILIZATION OF INCOME
(To be prepared by the Laboratory Canteen Laboratory)

(Name of School)
 (Address of School)

STATEMENT OF RECEIPTS, DISBURSEMENTS AND UTILIZATION OF INCOME
(CANTEEN LABORATORY)

For the Period _____

	Current Month	Previous Month
Net Sales		
Sales (Gross)	xxx	xxx
Sales Returns and Allowances	(xxx)	(xxx)
Sales Discounts	(xxx)	(xxx)
	xxx	xxx
Cost of Sales		
Purchases	xxx	xxx
Purchase Returns and Allowances	(xxx)	(xxx)
Purchase Discounts	(xxx)	(xxx)
Freight In	xxx	xxx
Inventory	xxx	xxx
GROSS PROFIT	xxx	xxx
EXPENSES		
Selling Costs	xxx	xxx
Administrative Costs	xxx	xxx
	(xxx)	(xxx)
NET INCOME FROM OPERATIONS	xxx	xxx
UTILIZATION OF NET INCOME		
Supplementary Feeding Program (40%)	xxx	xxx
Student Development Fund (laboratory, subsidy, skills training, contests) (30%)	xxx	xxx
H.E. Development Fund (30%)	xxx	xxx
TOTAL UTILIZATION OF NET INCOME (100%)	xxx	xxx

Prepared by:

Certified Correct: