UNIVERSITY OF SOUTHERN MINDANAO

COLLEGE OF BUSINESS, DEVELOPMENT ECONOMICS AND MANAGEMENT

ACCOUNTANCY DEPARTMENT

BACHELOR OF SCIENCE IN MANAGEMENT ACCOUNTING





AACCUP LEVEL 1 ACCREDITATION

AREA X
ADMINISTRATION

I.4. The budget for specific expenditures indicated in item I.5 is allotted in consonance with existing policies and guidelines.

Republic of the Philippines
OFFICE OF THE PRESIDENT
COMMISSION ON HIGHER EDUCATION

CHED MEMORANDUM ORDER
No. 20
Series of 2011

SUBJECT : POLICIES AND GUIDELINES FOR THE USE OF INCOME, SPECIAL TRUST FUND AND PROGRAMS OF RECEIPTS AND EXPENDITURES OF THE STATE UNIVERSITIES AND COLLEGES (SUCS)

In accordance with the pertinent provisions of Republic Act (R.A.) No. 7722, otherwise known as the "Higher Education Act of 1994," and by virtue of the Commission *en banc* Resolution No. 102-2010 dated May 12, 2010, the following guidelines are hereby issued for the guidance of all SUCs:

ARTICLE I
INTRODUCTION

Section 1. Purpose – This manual seeks to establish and institutionalize uniform fiscal policies that will serve as guidelines in the use and disposition of all internally generated funds accruing to the SUC, as well as to integrate a system of accountability for all fund administrators.

Section 2. Scope of Application – The policy and guidelines shall be observed by the SUC for all receipts and collections accruing to the general income for use in operations, fiduciary funds, income generating or self liquidating operations or activities (i.e. dorm rental, spaces for rent, service fees and charges, and the like), and regular trust funds (i.e. NSTP, Publication, PTA, SSG fund, and the like). SUC constitutes the main campus, satellite or branches and external campus and any other extension which is directly under the supervision of the President or his duly authorized representative or designee.

Section 3. Definition of Terms – The following terms are hereby defined in accordance with its operational meaning, as follows:

a) **Accumulated savings** – refer to funds available for appropriation – computed as follows: Fund balance at the end of the year, then deduct the following:
   1) Projects still to be implemented and paid out of the general fund;
   2) Funds being accumulated for an Approved Project to be financed out of Student Trust Fund;
   3) Accounts payable properly booked or obligated in the books of accounts;
   4) Purchase Requests obligated in the current year but not yet liquidated within the year or delivery was made in the next calendar year; and
   5) Fund balances of self-liquidating entities (e.g. graduate school in some SUCs, and the like) auxiliary services or IGPs.

Higher Education Development Center Building, C.P. Garcia Ave., UP Campus, Diliman, Quezon City, Philippines
Web Site: www.ched.gov.ph Tel. Nos. 441-1177, 385-4391, 441-1169, 441-1149, 441-1170, 441-1216, 392-5296

This structure may be modified as the need arises when some fund accounts need to be created, renamed, removed, or after having been removed, was restored, all to be carried out as a consequence of the approval in an administrative council meeting and subsequently approved by the governing board.

Section 5. Chart of Accounts – A chart of accounts shall be established in accordance with those prescribed by the Commission on Audit. For accounts unique or peculiar to the operation of the SUC, the same shall be prescribed through and integrated in the formulation of the internal policies, rules and regulations, including process flows. The chart of accounts shall also be harmonized pertinent to the fund structure stated in Section 4 hereof. The accounts to be included under each type of fund shall be appropriately defined and classified according to its nature and purpose.

ARTICLE III
SPECIFIC BUDGETARY ALLOCATION

Specific allocation for the following may be made by each responsible fund administrator after deduction of the SUC-wide common fund establishment of benchmark data to the following thrust, program or activity:

Section 6. Budget Allocation for Instruction (50% of the tuition fees) – The primary function of the SUC is instruction and shall be allocated a total of fifty percent (50%) of the actual tuition fees collected within the current calendar year. It shall be broken down into the following components:

a) Faculty and Staff Development (12.5%)

Budget allocation shall be used for overload pay (faculty member with permanent status), trainings and seminars, scholarship grants, educational tours (assistance), in-house training and evaluation, and other similar activities for the enhancement of the capabilities of the faculty members. Supplies and materials, maintenance and other operating expenses shall be limited to office supplies used in administration of a college or program.

b) Curriculum Development (12.5%)

Budget allocation shall be used for honoraria of part time faculty members (with duly approved contract of employment), subscription to journals (trade journals), books, reviewers, reproduction of instructional materials, shop tools and other instructional equipment, educational field trip assistance, industry immersion, seminar workshops and curriculum review and development, and such other maintenance and operating expenses as may be deemed directly and indirectly related and necessary to accomplish delivery of curricular requirements.

c) Student Development (12.5%)

Budget allocation shall be used for in-house trainings of student leaders or officers, trainings sponsored by accredited agencies, student labor deployment and compensation, IT equipment, medical and dental services/programs, trainings, orientation or seminar

workshop for student organization officers, scholarship and incentive programs designed to uplift and motivate student achievers, and other similar activities, in furtherance of the goal in support of the welfare of the general student population.

d) Facilities Development (12.5%)

Budget allocation shall be used for audio-visual equipment, furniture and fixtures, room maintenance or enhancement, workshop enhancement and/or upgrading, instructional shop tools and equipment upgrading, school buildings construction (if a portion of this fund is accumulated to this end), sports facilities and equipment (buildings and other structures), information technology and communication system and infrastructure, major and minor repair and maintenance of plant and physical facilities, and such other expenses that would contribute to the delivery of effective curricular and extra-curricular services to the general student population.

Section 7. Limitation on adjustment or modification of percentage allocation for instruction The above percentages assigned to the components of instruction may be adjusted in accordance with the expenditure trends established in the preceding year. However, the adjustment resulting to reduction in the allocation of one or more component shall not fall below 7.5%, in order not to unduly curtail developmental goals and regular operations therein.

Section 8. Budget Allocation for Research Services (10% of tuition fees) – Budget allocation for the second major function of the SUC, the research function, shall be set at a fixed rate of ten percent (10%) of tuition fees after deducting allowance for college wide common administrative costs. Said allocation shall be used for objects of expenditure related to the formulation or implementation of programs, projects, and activities, such as, but not limited to honoraria and incentives of researchers, lecturers, or research presenters, research assistants (with contract of employment) and wages of other personnel, office and IT equipment, facilities, supplies and materials, training and travel expenses, in-house research review, research presentation in appropriate *forum* and other research activities or undertaking that is geared towards producing research outputs that would be beneficial for the development of the community or locality where the SUC is located.

Section 9. Limitation on adjustment or modification of percentage allocation for Research Services – The budget allocation for Research shall be fixed at ten percent (10%). This percentage shall not be modified or reduced in order to ensure the accomplishment of research activities or undertaking that is geared towards producing research outputs that would be beneficial for the development of the community or locality where the SUC is located.

Section 10. Budget Allocation for Extension Services (10% of tuition fees) – The third major function of the SUC is extension services, which primarily includes the dissemination of the research output for the use and benefit of the community or locality in which the SUC is located.

The budget allocation for this function shall be used for instructional materials necessary for effective technology transfer of research outputs to the community, skills training in livelihood relative to the research output, honoraria of trainers undertaking the technology transfer of research outputs to the community, travel, training and seminar of extension services personnel, trainers' industry immersion program, wages of contract of service personnel other services (job order). Expenses incurred in undertaking the secondary function of extension services which includes alternative learning system (outreach program), skills training and

development in consortium with local government units involving human resource development and other similar activities may likewise be included in the budget for this function.

Section 11. Limitation on adjustment or modification of percentage allocation for Extension Services – The budget allocation for Extension Services shall be fixed at ten percent (10%) of the tuition fees to ensure effective delivery of programs involving technology transfer of research outputs to the community or locality in which the SUC is located.

Section 12. Budget Allocation for Production (10% of tuition fees) – In view of the corporatization initiatives for all SUCs to render themselves reliant and sustainable, the SUC shall earmark a fixed ten percent (10%) budget allocation for the establishment of a project or income generating activity, or for investment outlay in the form of commercial structures that would generate additional revenues for the SUC. Maintenance expenses for the said income generating project shall thereafter be financed out of its collections as soon as it becomes viable. For its initial operations, budget allocation as stated in the budget proposal approved by the governing board for office supplies, facilities enhancement, other services (job order), equipment, utilities, and other maintenance and operating expenses may be made. After review of its viability or feasibility, the project, which assumes a temporary duration until officially considered as a regular activity (or has become an income generating unit assigned to or supervised by the Director for Business Affairs), shall be assessed, whether fit for permanent operation or should be further subsidized for another term or period or should be phased out or discontinued.

Section 13. Limitation on adjustment or modification of percentage allocation for Production – The budget allocation for Production may be fixed at ten percent (10%) of the collected tuition fees to ensure effective delivery of programs involving the establishment of an investment outlay project or income generating project of the main campus, satellite branches or external campuses of the SUC to be funded out of their respective tuition fee collections. However, any reduction to the allocated percentage must be justified in writing and approved by the governing boards. The assignment of the portion pertaining to the reduction shall be specifically stated, that is, if the same shall be used as augmentation to the budget of the other functions stated in the preceding sections.

Section 14. Budget Allocation for Administrative Services (10% of tuition fees) – Basic general administrative support services commonly known as Administrative Services or Administration, shall include the following: administrative services which personnel or human resource management, cashiering, maintenance, security, supply and property management, and liaison to and from other national government agencies concerned with personnel benefits and privileges; financial management which includes accounting, budgeting, and financial reporting; and administration which cater to the needs of the executive officers' maintenance and operating expenses.

Budget allocation for this aspect of operations shall be used for personnel services, staff development trainings and seminars, travel expenses, office supplies and materials, security and maintenance services (job order/contracts of service) and such other maintenance and operating expenses necessary for the effective and efficient delivery of general administrative support services as contribution to the attainment of the vision, mission, goals and objectives of State College.

Section 15. Limitation on adjustment or modification of percentage allocation for Administrative Services (or Administration) – The budget for allocation for Administrative Services (or Administration) shall be fixed at ten percent (10%). Modification resulting to reduction of the percentage allocation shall not be allowed. Any unexpended balance may be used to augment infrastructure or capital outlay appropriation.

Section 16. Budget Allocation for Mandatory Reserve (10% of tuition fees) – A budget allocation of ten percent (10%) for Mandatory Reserve shall be made by the SUC main campus, satellite branches or external campuses as contingency fund for any unexpected event which may adversely affect the institution and its operations.

Section 17. Appropriation out of the Mandatory Reserve

Projects or object of expenditures that may be financed by resorting to the scheme using the mandatory reserve shall include emergency construction of structures destroyed by natural or man-made calamities. This is a provision made in response to emergency circumstances beyond the control of the SUC or campus administrators.

This mechanism shall be carried out by virtue of an Administrative Council resolution and is internal in nature. Contribution from the other branch campuses or external campuses may be consolidated, in the same way that repayment out of future collections may likewise be apportioned to the extent of the loan extended. This shall be stated in the budget proposal approved by the governing board, as "Repayment of loan assistance granted by [name of the campus]".

The above suggested percentage allocation may be modified to suit the needs of the SUC, provided such modification was approved by the governing board.

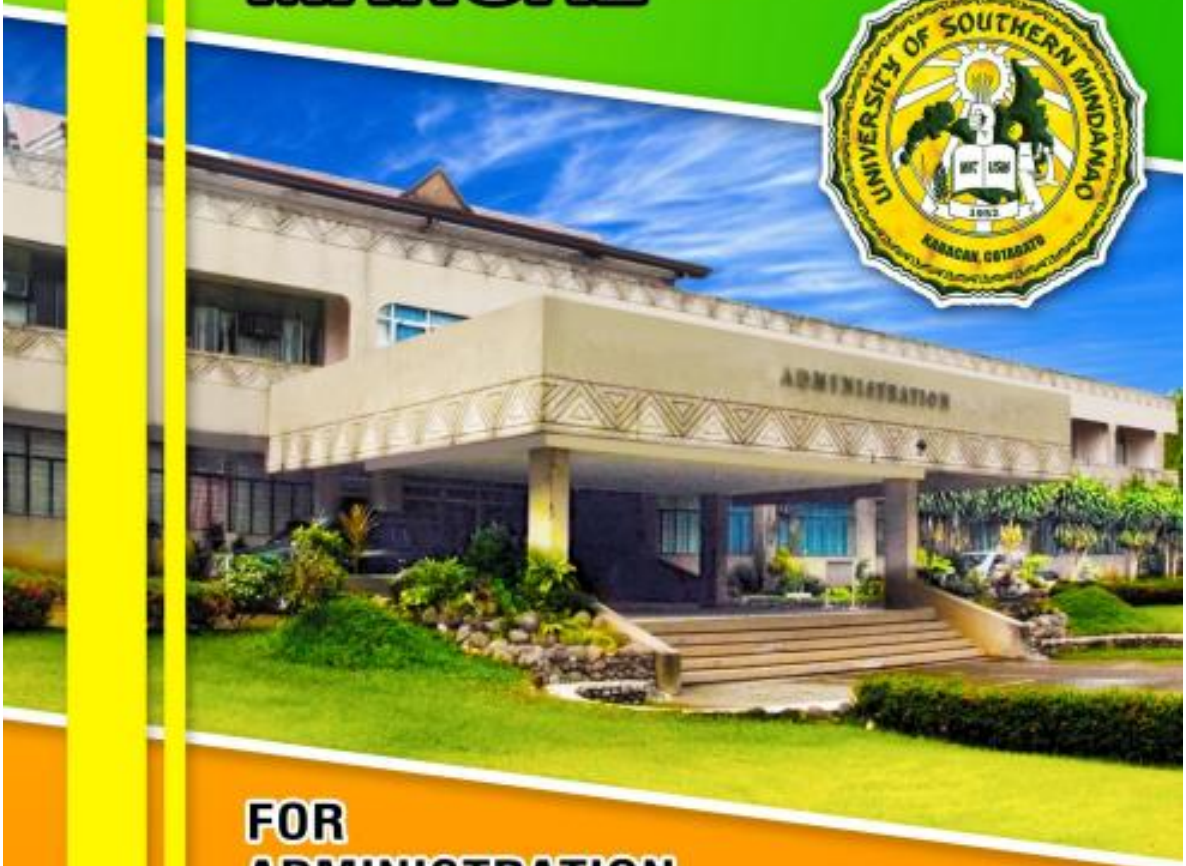
Section 18. Provision for Common Fund – The SUC shall provide for a common fund out of which the expenditures considered as SUC wide common administrative costs shall be paid.

The finance officer shall assist in determining the costs pertaining to the identified object of expenses in accordance with the expenditure trends of the preceding calendar year and determinable expenditures of the next calendar year. Each campus or SUC shall allocate a portion of their budget to defray college-wide administrative and development costs. The pro-rata distribution shall be based on tuition fee collections. A SUC-wide administrative and development cost have been identified, but is not limited to, the following:

a. Costs in the holding of BOR/T meeting
b. Travel expenses of the BOR/T members
c. Honoraria and other incentives of the BOR/T
d. General administrative support services
e. Honoraria of the VPA, VPAA, Student Services Directors, Research & Development Services, and Extension & External Services Directors,
f. MOOE of College-wide Officials and staff (Chief Administrative Officers, Budget Officers, Accountant, Human Resource Officer, Management and Audit Analyst, Supply and Property Officer, and other college-wide officers)

UNIVERSITY OPERATIONS MANUAL

Management System ISO 9001:2015



FOR ADMINISTRATION AND FINANCE

Authors:
FRANCISCO GIL N. GARCIA, PhD
EIMER M. ESTILLOSO, EdD
BERNABE B. MONDIA, CPA
NERISSA G. DELA VIÑA, MBA

Purpose of this Manual

The University of Southern Mindanao is committed to a transparent and responsible preparation of financial statements consistent with appropriate issuances of the government through the Department of Finance, the Department of Budget and Management, the Commission on Audit, and other pertinent government agencies. This manual aims to facilitate the work of employees involved in administrative and financial work tasks. The manual will also work as a tool for the management in implementing internal control.

Hopefully, these policies and procedures will address concerns on the various administrative, accounting, and financial policies, internal control policies, and relevant office administration policies affecting the University's day-to-day operations. The written policies will also ensure financial accountability and transparency, minimize misunderstanding, sustain good governance, and protect the assets of the University. This first phase of the operation manual covers only the offices under the Vice-President for Administration and Finance.

Operation Strategies

The budget proposals include current operating expenditures for maintenance and Other Operating Expenses (MOOE) under Fund 05. Fund 05 or Fund 164 is accumulated from the Tuition Fee of students excluding (NSTP, PE, Graduate School, CHS, USM KCC, USM Palma, USM Buluan) less the Common Expenses. The total balance is shared to Instruction, Research, Extension, Administrative Services, and Mandatory Reserve.

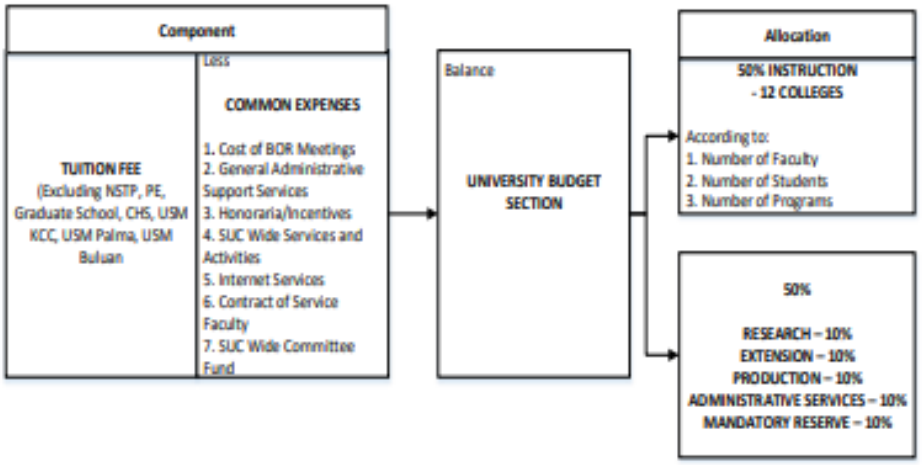
Self-Liquidating Units:

1. College of Health and Sciences
2. Graduate School

External Campuses:

1. USM Buluan Campus
2. USM Palma Campus
3. USM KCC

FUND 05



All Fiduciary fees shall be disbursed for the specific purposes for which they are collected. Hence, the Budget Proposals are to be prepared by their respective departments/colleges.

Component		Allocation
FIDUCIARY 1. Library Fee 2. Medical/Dental Fee 3. Athletic and State Colleges and Universities Athletics Associations 4. Institute of Sports Physical Education and Recreation PE Fee 5. Internet Fee 6. Socio-cultural (USCAO) 7. Human Resource Management 8. Tourism 9. Library Local Fund 10. CAS-BIODEP 11. University Laboratory School 12. University Testing Development Center 13. Evening/Requested Subjects 14. Registrar/Admission and Records Office 15. CA-RES Journal 16. CA-FFPCC 17. College of Veterinary Medicine Library 18. Office of Student Affairs 19. Laboratory 20. On-the-Job Training Fee	→ **UNIVERSITY BUDGET SECTION** →	1. University Library 2. University Hospital 3. Institute of Sports Physical Education and Recreation 4. University Information and Communication Technology Office 5. Admission and Records Office 6. Office of Student Affairs 7. Various Departments with Laboratories 8. On the Job Trainings

FUND 06

Fund 06 or IGP Fund is another fund of the University. This fund is used primarily for the operation of its Income Generating Project and to augment limited University funds, Fund 06 is the sole fund used to defray all expenses of the Resource Generation including investments.

Component Projects		Allocation
Business Development Center ***A. Agricultural*** 1. Avas Rubber 2. BDC – Admin 3. BDC – Coconut/Pulot Niyog 4. BDC - Corn 5. Land Rental 6. Oil Palm Project 7. Oil Palm Project 8. Fruit Crops *B. Non-agricultural* 1. Hostel 2. DXVL Radio Station 3. University Printing Center (UPC) 4. Canteen Rental 5. Cafe Martina **Other Projects** 1. Kidapawan City Campus 2. Zonal Center 6. Philippine Rubber Testing Center (PRTC) 7. Hospital 8. NAFES Layer Project 9. Human Resource Development Program **Trust fund** 1. Men's Dorm 2. ULS Convention Hall 3. Cottage Rental 4. Water System 5. Women's Dorm 6. Gender & Childcare Center (GCCC) 7. Guest House **PERMS** 1. Central Laboratory 2. Goat Project 3. Fruit/Cacao 4. Fruit/Cacao	**UNIVERSITY BUDGET SECTION**	1. Maintenance and Other Operating Expenses 2. Capital Outlay 3. Investment/Capital for Ongoing/ New Entrepreneurial Projects

SUMMARY OF CY 2025 PROPOSED PROGRAM OF RECEIPTS AND EXPENDITURES
AGENCY: UNIVERSITY OF SOUTHERN MINDANAO

PARTICULARS	Subsidy from National Government (Fund 01/101)	INTERNALLY GENERATED INCOME				ADMINISTRATIVE COST	TOTAL
		FUND 05 (164)		Other Funds	FUND 06 (161)		
		TUITION and Other Income	FIDUCIARY	BAC Income from Sales of Bidding Docs			
A. RECEIPTS							
I. Subsidy from National Government (per GAA CY 2025)	**1,034,716,000.00**						**1,034,716,000.00**
PS	639,479,000.00						639,479,000.00
MOOE	315,237,000.00						315,237,000.00
CO	80,000,000.00						80,000,000.00
II. Unobligated balance of 2024 Allotment	**35,422,827.01**						**35,422,827.01**
MOOE	14,225,648.01						14,225,648.01
CO	21,197,179.00						21,197,179.00
III. Internally Generated Income							**723,015,301.46**
A) Beginning Balance - January 1, 2025		79,538,559.64	148,609,831.40	100,000.00	53,652,091.61	23,588,806.96	305,489,289.61
B) Projected Receipts from Tuition, Other School Fees, IGP's & Other Fees		154,207,468.04	141,651,860.42	736,678.25	109,143,089.22	11,786,915.92	417,526,011.85
TOTAL RECEIPTS	**1,070,138,827.01**	**233,746,027.68**	**290,261,691.82**	**836,678.25**	**162,795,180.83**	**35,375,722.88**	**1,793,154,128.47**
B. ESTIMATED EXPENSES (PROPOSED)							
Current year (2025)							639,479,000.00
I. PS	639,479,000.00						710,640,543.45
II. MOOE	315,237,000.00	150,171,882.66	147,964,638.47	746,000.00	88,396,022.32	8,125,000.00	104,552,050.42
III. Capital Outlay	80,000,000.00	2,034,394.38	15,347,655.95	-	3,170,000.09	4,000,000.00	-
							-
Continuing Allotments							35,422,827.01
IV. Fund 01	35,422,827.01						78,710,451.29
V. Fund 05 (Tuition)		78,710,451.29					57,689,073.22
VI. Fund 05 (Fiduciary)			57,689,073.22				25,803,154.07
VII. Fund 06 (IGP)					25,803,154.07		21,974,626.26
VIII. Administrative Cost						21,974,626.26	
TOTAL PROPOSED EXPENDITURES	**1,070,138,827.01**	**230,916,728.33**	**221,001,367.64**	**746,000.00**	**117,369,176.48**	**34,099,626.26**	**1,674,271,725.72**
EXPECTED ENDING BALANCE OF 2025	**-**	**2,829,299.35**	**69,260,324.18**	**90,678.25**	**45,426,004.35**	**1,276,096.62**	**118,882,402.75**

Prepared by:
Digitally signed by Villaruz Shereen Mae Pascual
SHEREEN MAE P. VILLARUZ
Budget Officer

Reviewed by:
Digitally signed by Vildac Jay-R Graza
JAY-R G. VILDAC
FMS Director

Recommending Approval:
Durendes Quenielyn Lu
QUENIELYN L. DURENDES
VP for Admin. & Finance

Approved:
Digitally signed by Pimentel Jonald Lozarito
JONALD L. PIMENTEL
SUC President IV