



Republic of the Philippines  
**Department of Education**  
Region VII – CENTRAL VISAYAS  
**SCHOOLS DIVISION OF BOHOL**

**Office of the Schools Division  
Superintendent**

August 22, 2023

**DIVISION MEMORANDUM**  
No. **0388**s. 2023

**DETERMINATION OF PROPERTY, PLANT AND EQUIPMENT (PPE) UNIT VALUE IN  
LINE WITH THE PREPARATION OF REPORT ON THE PHYSICAL COUNT OF  
PROPERTY, PLANT AND EQUIPMENT (RCPPE)**

To: Assistant Schools Division Superintendent  
Chief - CID  
Chief - SGOD  
Public Schools District Supervisors  
School Principal/Head / Accountable Officers  
Administrative Officers II  
Schools and District Property Custodians  
District Bookkeepers  
All Other Concerned

1. Pursuant to the COA Circular No. 2020-006 dated January 31, 2020 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 disseminate the procedure on how to determine the Unit Value of the PPE, which serves as guides in the preparation of RCPPE.
2. Property, Plant and Equipment (PPE) acquired through transfer, purchase or donation, including those constructed by administration costing Php 50,000 and above, must be depreciated depending on the estimated useful life as stipulated in COA Circular No 2003-007 dated December 11, 2003.
3. The Unit value of the PPE must be based on the Carrying Amount or the Net Book Value of the Asset. The formula in determining the Carrying Amount must be the following;

Carrying Amount = Acquisition Cost - Accumulated Depreciation



Yearly Depreciation = Acquisition Cost - 5% Residual Value / Estimated Useful Life  
Accumulated Depreciation = Amount of Depreciation x No of Years Used

Example:

DepEd STANDARD 2CL Building, worth 4,260,076.85  
Date Constructed/Completed- January 2, 2019  
Estimated useful life/Life Span-30 years as per COA Circular 2003-07  
No. of Years Used-4.5 years (from January 2, 2019-June 30, 2023)

Yearly Depreciation = (Php 4,260,076.85 - 213,003.84) / 30 years  
= Php 134,902.43

Accumulated Depreciation = Php 134,902.43 x 4.5 years  
= Php 607,060.95

Carrying amount = Php 4,260,076.85 - Php 607,060.95  
= Php 3,653,015.90

The shortcut formula will be:

$$\begin{aligned} \text{Carrying amount} &= \text{Php } 4,260,076.85 - \left\{ \frac{\text{Php } 4,260,076.85 \times 95}{30} \right\} \times 4.5 \text{ years} \\ &= \text{Php } 3,653,015.90 \end{aligned}$$

4. In case no such information could be found for the Acquisition Cost in both accounting and property records such as for PPE unit cost/value shall be established, based on the shared reports from the Division Office Physical Facilities Unit.
5. Enclosed is a copy of the COA Circular No. 2003-007 for reference of the useful life of the Property, Plant and Equipment
6. For wide dissemination and strict compliance.

**EVANGEL M. LUMINARIAS PhD CESO V**  
Schools Division Superintendent



0050 Lino Chatto Drive Barangay Cogon, Tagbilaran City, Bohol  
Tel Nos.: (038) 412-4938; (038) 411-2544 (038) 501-7550  
Telefax: (038) 501-7550 email add: deped.bohol@deped.gov.ph





REPUBLIC OF THE PHILIPPINES  
COMMISSION ON AUDIT  
Commonwealth Avenue, Quezon City, Philippines



CIRCULAR

No. 2003-007

Date: DEC 11 2003

TO: All Heads of National, Local and Corporate Government Agencies, Heads of Finance/Comptrollership/Financial Management Services, Chief Accountants/Heads of Accounting Units; COA Directors, Auditors; and All Others Concerned

SUBJECT: **REVISED ESTIMATED USEFUL LIFE IN COMPUTING DEPRECIATION FOR GOVERNMENT PROPERTY, PLANT AND EQUIPMENT**

- 1.0 This Circular is issued to provide policies and guidelines on the computation of depreciation of government property, plant and equipment for allocating the same over their useful life and fair presentation of the financial statements.
- 2.0 The straight-line method of computing the depreciation for government property, plant and equipment shall be adopted.
- 3.0 For uniformity in the application of useful life and simplification in its computation, the Estimated Useful Life of PPE by classification are presented as Annex A of this Circular.
- 4.0 A residual value equivalent to ten percent (10%) of the acquisition cost/appraised value shall be deducted before dividing the same by the Estimated Useful Life.
- 5.0 Any adjustments arising from this revision of useful life shall be charged against "Prior Years' Adjustments" account (Code 684).
- 6.0 This circular shall take effect January 1, 2004.

  
GUILLERMO N. CARAGUE  
Chairman

**TABLE OF ESTIMATED USEFUL LIFE OF  
PROPERTY, PLANT AND EQUIPMENT**

Property, Plant and Equipment	Estimated Useful Life (in years)
• Land Improvements	
▪ Land Improvements	10
▪ Runways/taxiways	20
▪ Railways	40
▪ Electrification, Power and Energy Structures	10
• Buildings – those that are predominantly	
▪ Wood	10
▪ Mixed	20
▪ Concrete	30
• Leasehold Improvements (Note 1)	
▪ Land	10
▪ Building	
• Wood	10
• Mixed	20
• Concrete	30
• Office, Equipment, Furniture and Fixtures	
▪ Office Equipment	5
▪ Furniture and Fixtures	10
▪ IT Equipment - Hardware	5
▪ Library Books	5
• Machineries and Equipment	
▪ Machineries	10
▪ Agricultural, Fishery and Forestry	10
▪ Airport Equipment	10
▪ Communication Equipment	10
▪ Construction and Heavy Equipment	10
▪ Firefighting Equipment and Accessories	7
▪ Hospital Equipment	10
▪ Medical, Dental and Laboratory Equipment	10
▪ Military and Police Equipment	10

Property, Plant and Equipment	Estimated Useful Life (in years)
▪ Sports Equipment	10
▪ Technical and Scientific Equipment	10
▪ Other Machineries and Equipment	10
• Transportation Equipment	
▪ Motor Vehicles	7
▪ Trains	10
▪ Aircraft and Aircraft Ground Equipment	10
▪ Watercrafts	10
▪ Other Transportation Equipment	10
• Other Property, Plant and Equipment	5

Note 1 - The estimated useful life shall depend on the length of the lease. It shall be the period of the lease or the estimated useful life of the assets, as given, whichever is shorter.