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In the interest of the service and in order to fully utilize the unclaimed/undistributed starter toolkits for the implementation of Special Training for Employment Program (STEP) and Universal Access to Quality Tertiary Education (UAQTEA) Program, the following guidelines and procedures on the disposal of the said toolkits is hereby issued:

I. RATIONALE

Pursuant to Republic Act No. 7796 or the TESDA Act of 1994, TESDA is mandated to provide relevant, accessible high quality and efficient technical education and skills development in support of the development of high-quality Filipino middle-level manpower responsive to and in accordance with Philippine development goals and priorities.

Relative thereto, TESDA implements skills training through various scholarship programs such as Training for Work Scholarship Program (TWSP), Private Education Student Financial Assistance (PESFA), Special Training for Employment Program (STEP), Universal Access to Quality Tertiary Education Act (UAQTEA), Tulong Trabaho Scholarship Program (TTSP), Rice Extension Services Program (RESP), Coconut Farmers Scholarship Program (CFSP), among others.

For STEP and UQATEA, one of the major components of these training programs is the provision of starter toolkits to the beneficiaries. This is to ensure that the beneficiaries could immediately engage in self-employment or entrepreneurial activities upon completion of the training program.

However, several starter toolkits are not yet claimed and/or undistributed to its beneficiaries due to, but not limited to, the following reasons:

a. graduates could no longer be located after the training, despite earnest efforts;
b. trainees dropped out during the training;
c. scheduled STEP programs were not implemented; and
d. approved scholarship slots were not filled up.

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Thus, these toolkits have now become unserviceable or have been rendered unnecessary. To prevent the deterioration of these items and consequent depreciation of their value, resulting to the loss of the government, the judicious disposal of these items is deemed necessary.

Accordingly, the COA-DBM Joint Circular No. 2024-01 dated 30 January 2024 entitled *"Revised Manual on the Disposal of Government Properties"* ("Revised Manual") provides that the *disposal of properties could be undertaken when, among others, the properties (i) are already unserviceable; (ii) have reached their estimated useful life; (iii) can no longer provide the expected service/output due to obsolescence; or (iv) no longer needed, as enumerated under item B or Part II* of the said Revised Manual.

II. SCOPE/COVERAGE

These guidelines shall cover the disposal of all the unclaimed/undistributed starter toolkits for the implementation of STEP and UAQTEA programs.

III. DEFINITION OF TERMS

In order to provide a common frame of reference in understanding the key terminologies used in this Circular, the following terms are hereby operationally defined:

1. **Disposal** - the act of disposing a property for disposal in accordance with the relevant issuances.
2. **Serviceable toolkits** – unclaimed/undistributed starter toolkits that have been rendered unnecessary, as assessed and certified by the Regional Disposal Committee.
3. **Unserviceable toolkits** – unclaimed/undistributed starter toolkits that have reached their estimated useful life, or can no longer provide the selected service/output due to obsolescence.

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IV. IMPLEMENTATION MECHANICS

1. The disposal of the starter toolkits shall be handled by the respective Regional Disposal Committees.

2. The Regional Disposal Committees shall conduct an actual inventory of the unclaimed/undistributed starter toolkits annually and shall evaluate, assess and determine which of the items in the said inventory reports are serviceable and unserviceable.

3. The unclaimed/undistributed starter toolkits shall be deemed unserviceable if **any** of the following conditions exist:

   a. All items below Fifty Thousand Pesos (Php50,000.00) and have aged for at least two (2) years since the delivery by the supplier;
   b. Items that have exceeded their estimated useful life;
   c. Items that can no longer be repaired or reconditioned; **or**
   d. Items which are beyond economic repair.

4. The Regional Disposal Committee shall determine the mode of disposal of the unclaimed/undistributed starter toolkits, whether the same are serviceable or unserviceable. In determining the proper mode of disposal, the Regional Disposal Committee must consider the mode which is most appropriate and advantageous to the government.

5. For **Unserviceable Toolkits**, the following modes of disposal may be adopted:

   a. **Condemnation/Destruction of Properties** - Valueless, unstable or hazardous unclaimed/undistributed starter toolkits may be condemned and destroyed by pounding, breaking, shredding, throwing or any other method by which the properties are disposed beyond economic recovery.

      The condemnation/destruction of the properties shall be made in the presence of a representative/s of the Disposal Committee. A representative of the Commission on Audit shall also be present as

an observer. A corresponding Waste Management Report (WMR) shall be prepared by the office concerned to document such condemnation/destruction of unclaimed/undistributed starter toolkits.

b. **Sale of Junk or Scrap and/or Recycling** – This may be resorted to if the cost of administration and maintenance of the government properties is more that the salvage value and the selling price for the junk/scrap is not lower than the 10% salvage value of the properties.

If the junk/scrap did not meet such conditions, and is deemed to have little or no commercial value beyond its basic material content and is no longer functional, the same may be delivered to a recycling facility or center, preferably registered with the government and deemed most convenient for the agency.

For **Serviceable Toolkits**, the following modes may be adopted:

a. Transfer to TESDA Technology Institutions (TTIs) – the serviceable toolkits may be distributed to the TTIs.

b. Donation – the serviceable toolkits may also be donated to the Local Government Units (LGUs) through a Deed of Donation executed by and between the Regional Director and the Local Chief Executive concerned. The documentary requirements for the execution of the Deed of Donation are specified in Memorandum Circular No. 004, series of 2020.

6. The Regional Disposal Committee shall submit to the Office of the Secretary/Director General the complete and certified inventory report, including the recommended mode of disposal, on or before the 25th day of January of the succeeding year.

   For the unclaimed/undistributed starter toolkits for the STEP and UAQTEA programs covering the period FY 2014 to 2022, the complete and certified inventory report, including the recommended mode of disposal, shall be submitted to the Office of the Secretary/Director General within fifteen (15) days from the date of effectivity of this Circular.

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7. Upon endorsement and certification of the Regional Disposal Committee, the Secretary Director General shall issue an order authorizing the disposal of the serviceable or unserviceable unclaimed/undistributed starter toolkits. The Regional Disposal Committee shall commence the disposal only upon the receipt of the order issued by the Secretary/Director General.

V. MONITORING AND REPORTING

The respective Regional Disposal Committee shall meet quarterly to conduct an inventory and monitoring of all items and properties covered by these guidelines. Thereafter, the status of the said properties shall be submitted to the Secretary/Director General within ten (10) days after the quarterly meeting.

VI. MISCELLANEOUS PROVISION

1. Issues arising from the implementation of this Circular shall be submitted to the Office of the Secretary/Director General for review and evaluation. Any resolution shall be approved by the Secretary/Director General; and

2. Nothing in these Implementing Rules shall be construed as diminishing the authority of the Secretary/Director General in exercising his discretion or jurisdiction.

VII. SEPARABILITY

If for any reason, any part or provision of these guidelines is declared invalid or unconstitutional, any part or provision not affected thereby shall remain in full force or effect.

VIII. REPEALING CLAUSE

All issuances inconsistent herewith are deemed superseded.

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IX. EFFECTIVITY

This Circular shall take effect upon publication and/or posting in the TESDA Web-based Records Management Information System.

JOSE FRANCISCO "KIKO" B. BENITEZ
Secretary/Director General, TESDA