



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



**CHED MEMORANDUM ORDER**

No. 05  
Series of 2020

**Subject: GUIDELINES ON THE SUSPENSION OF OPERATIONS OF DEGREE PROGRAMS OF PRIVATE HIGHER EDUCATION INSTITUTIONS**

---

Pursuant to Section 8 (n) in relation to Section 2 of Republic Act No. 7722, the "Higher Education Act of 1994"; and the Commission *en Banc* Resolution No. 575 s. 2020 dated August 25, 2020, these Guidelines on the Suspension of Operations of Private Higher Education Institutions are hereby issued.

**RULE I  
COVERAGE**

This CHED Memorandum Order (CMO) shall govern the voluntary suspension of operation of degree programs of private Higher Education Institutions (HEIs), including their branches and/or extension classes, by reason of actual financial loss or projected financial loss as a result of declared national emergency or public health crisis.

This CMO does not apply to: (1) all maritime programs offered by Higher Education Institutions (HEIs) pursuant to the joint authority of CHED and the Maritime Industry Authority (MARINA) under the pertinent provisions of R.A. No. 7722 and R.A. No. 10635, and; (2) law/juris doctor programs under the jurisdiction of the Legal Education Board (LEB).

**RULE II  
RATIONALE AND OBJECTIVES**

Suspension of operation of degree programs is recognized as a valid exercise of management prerogative, which the State normally does not interfere with, as no business or undertaking is required to continue operating at a loss simply because it has to maintain its operations for the workers' welfare.

Considering however, the high priority given by the Constitution to education which is imbued with public interest, the State is vested with supervisory and regulatory powers over all educational institutions [Art. XIV, secs. 1-2, 1987 Constitution]. Hence, in the exercise of the Commission's regulatory power under Section 8 (n) in relation to Section 2 of R.A. No. 7722, these Guidelines seek to:

1. Establish the procedures/steps to be observed by private Higher Education Institutions (HEIs) in initiating a voluntary suspension of operations of degree programs by reason of actual financial loss or projected financial loss as a result of declared national emergency or health crisis; and

2. Protect the welfare of the students, as well as teaching and non-teaching personnel, affected by the suspension of operation of degree programs of HEIs.

### **RULE III DEFINITION OF TERMS**

For purposes of this CMO, the following terms are defined as follows:

1. **Academic Personnel** are those who perform certain prescribed academic functions such as professors/teachers, registrars, librarians, guidance counselors, researchers, and other persons performing similar functions including institution officials responsible for academic matters and affairs.
2. **Degree Program** refers to the specific courses of study in the higher level of the education system leading to a bachelor's, masters or doctoral degree.
3. **Extension Class** is a class normally offered by a recognized higher education institution in its main campus but is conducted in another location not otherwise specified in the permit or recognition issued by the Commission for the operation of the program.
4. **Government Authority** means either a permit or recognition issued by the Commission to a private higher education institution for the operation of a particular higher education degree program.
5. **National emergency** means any occasion or instance for which, in the determination of the President or Congress, a declaration is needed to supplement State and local efforts and capabilities to save lives and to protect property, or to lessen or avert the threat of a catastrophe or widespread disaster.
6. **Non-Academic Personnel** means the rank-and-file employees of the institution engaged in administrative functions and maintenance of a higher education institution.
7. **Permit** refers to a form of government authority issued by the Commission to a higher education institution for the operation of a particular higher education program on probation. The Permit is renewable and generally revocable for non-compliance with the program requirements.
8. **Private Higher Education Institution (HEI)** means an educational institution undertaking operations of higher education program/s with an organized group of students pursuing defined studies in higher education, receiving instructions from teachers, usually located in a building or group of buildings in a particular site specifically intended for educational purposes.



9. **Public health crisis** is a condition that requires the President to declare a state of public health emergency by reason of "an occurrence or imminent threat of an illness or health condition, caused by bio terrorism, epidemic or pandemic disease, or (a) novel and highly fatal infectious agent or biological toxin, that poses a substantial risk of a significant number of human facilities.
10. **Recognition** is another form of government authority or approval granted to a particular higher education program for operation as a continuing or permanent concern, after having been satisfactorily operated under a government permit. Recognition constitutes the basis for the graduation of students. It remains valid unless revoked for cause.
11. **Serious financial losses** refer to substantial or reasonably imminent losses realized or perceived objectively and in good faith by an HEI, which must be supported by sufficient basis.
12. **Student** means any person who is enrolled in any degree program and engaged in higher education studies.
13. **Voluntary Suspension of Operation of Degree Program of a Private Higher Education Institution** refers to a condition whereby a private Higher Education Institution, for a valid cause and in the exercise of its management prerogative, suspends its offering of a degree program.

#### **RULE IV PROCEDURE**

**SUSPENSION OF OPERATION OF DEGREE PROGRAMS OF HEIs** - Upon the request of the HEIs, any degree program offered by a private higher education institution may be suspended after complying with the requirements set forth in these guidelines.

##### **A. MINIMUM DOCUMENTARY REQUIREMENTS**

The following documentary requirements must be attached to the Sworn Letter-Request for the Suspension of operation of degree program of a private Higher Education Institution:

1. Certified True Copy of the Resolution issued by the governing board of an HEI approving the suspension of operation of degree program/s;
2. Sworn letter-request from the HEI of its intention to suspend the offering of one or more-degree programs, executed and signed by the school head or his/her duly authorized representative, stating the reasons or basis of the request and the specific duration of the planned suspension;
3. Audited financial report of Actual Financial Loss/Projected Financial Loss prepared by an Auditor to be accomplished by the concerned HEI within sixty (60) days before the planned suspension;



4. Certified True Copy of the List of students affected by the suspension, identifying their respective degree programs and year level, with attached Undertaking that no freshman student shall be admitted for enrollment beginning the school term the suspension shall take effect and that the HEI shall diligently perform its responsibility in issuing the necessary transfer credentials and records to the affected students;
5. Certified true copies of: (a) written notice of suspension sent to students/parents, within sixty (60) days prior to the planned suspension, and (b) written notice to DOLE in reference to Rule IV, Item B (2) hereof;
6. A report on the Assistance Program administered to all affected stakeholders, e.g. Notarized Memorandum of Agreement (MOA) between HEI and employees for retention/re-absorption/first priority during or after the suspension.

## **B. PROCEDURAL REQUIREMENTS**

The procedures to be adopted for the implementation of these Guidelines are as follows:

1. The HEI shall notify in writing the CHEDRO concerned of its intent to suspend operation, within sixty (60) days before the intended effectivity date of the suspension. The concerned CHEDRO shall submit a written report with recommendation/s to the Commission *en banc*, within ten (10) working days from receipt of the request for suspension;

Upon receipt of the report and recommendation/s of the CHEDRO, the Commission through an *en banc* resolution shall take immediate action on the request for suspension;

2. At least thirty (30) days before the intended effectivity date of the suspension, the HEI shall notify in writing the Department of Labor and Employment (DOLE) for proper advice/guidance as to the status and conditions of employment of the school officials and employees including the teaching and non-teaching personnel during the suspension of operations;
3. If the request for the suspension of operation is approved, the suspension shall be effective for one (1) Academic Year (AY), which shall start fifteen (15) days before the enrollment begins in a given term/semester of an Academic Year.

After the expiration of the said period of suspension, the HEI may resume its operations after notifying in writing the CHEDRO concerned that it is resuming its offering of the program/s previously suspended

4. A re-opened program shall thereafter be subject to immediate monitoring/evaluation by the CHEDRO to determine compliance with the



existing CHED Policies, Standards, and Guidelines (PSGs). The HEI shall be given a maximum grace period of one year by the Regional Office to comply with the minimum requirements should deficiencies be found.

5. Before the suspension takes effect, the higher education institution shall have the following obligations:
  - a. To assist and facilitate the immediate transfer of the students affected by the suspension, and the Commission shall be duly informed.
  - b. To furnish the necessary transfer credentials and records to students affected by the suspension within fifteen (15) days from the date of effectivity of the suspension; and
  - c. To preserve all students' academic records by submitting certified true copies thereof to the CHEDRO concerned or to the National Archives Office.
6. Subject to the pertinent provisions of Republic Act No. 11232, also known as the "Revised Corporation Code of the Philippines," and other existing laws, rules and regulations, and pursuant to the regulatory power of CHED under Section 8 (n) in relation to Section 2 of R.A. No. 7722, a request for temporary suspension of operation of a degree program of HEIs for a period not to exceed one (1) academic year shall be decided by the Commission after evaluation of the school's compliance with the documentary and procedural requirements prescribed in Rule IV hereof.

## **RULE V ROLES AND RESPONSIBILITIES**

1. The CHED Central Office shall oversee the nationwide implementation of this CMO. The CHED Regional Offices (CHEDROs) shall implement and monitor compliance therewith at the regional level, exercise due diligence in ensuring that the procedures in these Guidelines are strictly observed.
2. The **HEI** concerned shall ensure the effective implementation and strict compliance with this CMO in the school setting, coordinate support and participation of other stakeholders, promote awareness of this Guidelines including its posting in conspicuous places in the school, and submit report as required by the CHED Regional Office concerned.
3. The HEI shall notify all its stakeholders of the suspension, by posting at their official websites and all social media accounts, if any, and publication in a newspaper of general circulation in the province where the campus or campuses are located.



## **RULE VI PROHIBITIONS**

The following acts are hereby prohibited and shall be subject to appropriate action by the Commission, under existing laws, rules, and regulations, namely:

1. Implement a voluntary suspension of operations without informing the Commission;
2. Refusal or failure on the part of the concerned HEI to issue credentials/academic records of students within the period set forth in Rule IV (B), Item No. 5 (b) thereof, without justifiable cause;
3. Unreasonable delay in issuing the credentials/academic records of students;
4. Misrepresentation or concealment on the part of the concerned HEI as to the basis/reason for initiating a voluntary suspension of operation;
5. Submission of falsified or tampered documents; and
6. Other analogous acts

## **RULE VII VIOLATIONS**

For violations committed by personnel in the private HEIs, the same shall be subject to applicable provisions of Batas Pambansa Blg. 232, R.A. No. 7722, CHED issuances and other applicable laws and regulations.

Where the violation was committed by personnel of CHED, the 2017 Rules of Administrative Cases in the Civil Service (RACCS) and its amendments shall apply.

## **RULE VIII TRANSITORY PROVISIONS**

Considering the welfare of the students, employees and other academic personnel affected by the suspension of operation of degree programs, the provisions of Section 61 (2) of the MORPHE shall have suppletory application, as well as Article 286 of the Labor Code and Section 12, Rule I, Book VI of its Implementing Rules and Regulations (IRR).

## **RULE IX REPEALING CLAUSE**

All CHED issuances inconsistent with this CMO are deemed repealed accordingly upon the effectivity of this CMO.



**RULE X  
SEPARABILITY CLAUSE**

If for any reason, any portion or provision of this CMO is declared invalid, other parts or provisions hereof which are not affected thereby shall continue to be in full force and effect.

**RULE XI  
EFFECTIVITY**

This CMO shall take effect fifteen (15) days after its publication in the Official Gazette or newspaper of general circulation and copies thereof be registered with the Office of the National Administrative Register (ONAR) at the University of the Philippines (UP) Law Center, UP Diliman, Quezon City.

Immediate dissemination of and strict compliance with this CMO is hereby ordered.



**J. PROSPERO E. DE VERA, III, DPA**  
Chairman



**References:**

Manual of Regulations for Private Higher Education (MORPHE)  
Website of World Health Organization (WHO)  
National Emergency Act passed by the U.S. in 1976  
Somerville Stainless Steel Corporation vs NLRC G.R. No. 125887, pp. 8-9, March 11, 1998, per Panganiban, J.; quoting Lopez v. Federation of Free Workers, 189 SCRA 179, 190, August 30, 1990.  
2017 Rules of Administrative Cases in the Civil Service (RACCS)

