



TRAVIESO EVANS

MANAGERIAL ALERT

SPECIAL METHODOLOGY FOR
CALCULATION OF MONTHLY
INSTALLMENTS OF PRIVATE
EDUCATIONAL INSTITUTIONS IN ALL
OF THE NATIONAL TERRITORY



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SPECIAL METHODOLOGY FOR CALCULATION OF MONTHLY INSTALLMENTS OF PRIVATE EDUCATIONAL INSTITUTIONS IN ALL OF THE NATIONAL TERRITORY

Joint Resolution No. 0009 and No. 024-2020, issued by the Ministry of the Popular Power for Education (“MPPE”) and the Ministry of the Popular Power for National Trade, was published in Official Gazette No. 41.956 of September 2, 2020 (the “Resolution”). The Resolution established the special methodology for determining the calculation of the monthly installments of private educational institutions in all of the national territory.

The Resolution established the following definitions for determination of the cost structure:

Cost Elements: It comprises educational materials and consumable supplies, personnel cost, and indirect cost.

Materials and Consumable Supplies: It is formed by the educational materials and consumable supplies directly used in the provision of the educational service.

Personnel Expenses: They are the costs generated by the wages and salaries, allowances and benefits of the managerial, teaching, administrative personnel and workers (regular and non-regular staff).

Indirect Costs: They are the costs generated by real estate lease, cleaning materials and supplies, basic services (electricity, water, garbage collection, internet, telephone, gas), machine and equipment maintenance, real estate maintenance, school transport, vehicle and materials depreciation, student well-being (scholarships, cafeteria, and student health insurance).

The Resolution established that the monthly installments will be determined taking into consideration the aforesaid definitions by means of a cost grouping methodology with all accounting items, as per the following formula:

Number of students = Total student body

Materials Costs = Materials ÷ Consumable Supplies

Ind. Costs = Total Indirect Cost

In order to establish the project cost per student, the result will be equal to:

$$\frac{\text{Personnel Expense} + \text{Materials cost} + \text{Ind. cost}}{\text{Number of students}}$$

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The amount of the monthly installments resulting from the application of the special methodology established in the Resolution will be expressed in Bolivars. Payment may be made in the same currency or in its equivalent in cryptocurrency or foreign currency.

Should the parents or representatives state that they wish to pay in foreign currency, for conversion purposes, the official rate of exchange established by the Venezuelan Central Bank (VCB) will be applied. In no case will payment of installments in a currency other than the Bolivar be obligatory.

The process of revision, consultation, and approval of the installments will be made in accordance with article 6 of the Resolution. In the event of controversies for the establishment of the installments or of the methodology applied to that end, alternative methods of dispute resolution will be used by setting up technical roundtables formed by the MPPE, the Superintendence for the Defense of Socioeconomic Rights (*Superintendencia para la Defensa de los Derechos Socioeconómicos* - "SUNDDE"), and the parents and representatives of the private educational institution, who will jointly establish the means and conditions for determining the relevant amount according to the cost structure and monitor the correct application of the extraordinary methodology established in the Resolution for its approval.

The educational institution must provide information about the cost structure, number of teaching, administrative, managerial personnel and workers that it has, as well as the enrollment fee, to the parents and representatives, the MPPPE and the SUNDDE.

The Resolution will be applied in preference to any other one, as long as the extraordinary measures adopted by the National Executive to fight COVID-19 remain in effect. The regular provisions existing on the matter will be subsidiarily applied to all matters not included in the Resolution

The Resolution became effective upon publication in the Official Gazette.

In order to access the Resolution, please click [here](#).

Should you have any question or comment or require further information, please contact the partner in charge of your account via email.

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