



REPUBLIKA NG PILIPINAS
REPUBLIC OF THE PHILIPPINES
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DEPARTMENT OF EDUCATION
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DepEd MEMORANDUM
No. 27, s. 2002

**GUIDELINES FOR THE APPLICATION
OF THE CHECKLESS PAYROLL SYSTEM**

To: Undersecretaries
Assistant Secretaries
Regional Directors
Schools Division/Superintendents
Elementary and Secondary School Principals
All Others Concerned

1. For the information and guidance of all concerned, enclosed are the guidelines for the implementation of the Checkless Payroll System, this Department.
2. All regional, division, and schools are to be guided accordingly.


ERNESTO S. PANGAN
Undersecretary

Encls.:
As stated

References:
DepEd Memoranda: Nos. 305 and 306, s. 2001

Allotment: 1-2-3- (D.O. 50-97)

To be indicated in the Perpetual Index
under the following subjects:

OFFICIALS
POLICY
SALARY
TEACHERS

GUIDELINES FOR THE APPLICATION OF THE CHECKLESS PAYROLL SYSTEM

DEPARTMENT OF EDUCATION

For the Checkless Payroll System, the following rules & regulations apply.

Schools that do not have access to ATM services shall remain with the Continuous Form Check Payroll.

I. SELECTION OF BANK

A. Criteria for selection of bank:

1. Has an existing MOA with DepEd to provide ATM payroll.
 - Land Bank of the Philippines
 - Development Bank of the Philippines
 - Philippine Veterans Bank
 - Additional Banks will be advised when MOAs would have been signed accordingly.
2. Can provide a nationwide ATM access
3. Proximity and convenience for the teachers and employees.

B. For Region paid teachers and employees, teachers/employees shall select the bank to be used provided only one bank will be chosen per school/office.

C. For PSD processed teachers and employees, teachers/employees shall select the bank to be used provided only one bank will be chosen per school/district.

D. Other banks w/o an existing MOA with DepEd may be chosen to provide ATM service as conduits of the depository bank of the region. This should be coordinated by the Regional Directors with the Undersecretary for Administration and Finance.

E. The principal shall supervise the selection of servicing bank for their respective schools. A certified letter indicating the chosen bank shall be submitted to the Division Office.

F. Division Superintendent shall submit a consolidated report of chosen banks within their respective divisions to the Regional Office.

G. The Regional Director shall submit a certified report of the chosen banks of the region to the Office of the Undersecretary for Administration and Finance.

II. OPENING OF ACCOUNTS

Schools Division Superintendent shall:

- A. Coordinate with respective chosen bank of the school/district for opening of accounts.
- B. Coordinate with the Principals/Supervisors to prepare a certified list of all the teachers and other personnel in their school indicating the Division Code, Station Code, Employee Number, Employee Name (First Name [space] Surname) to be submitted to the chosen bank. **See attached Form A.**
- C. Coordinate with the designated Branch Manager of the bank concerning the date and time of the opening of the accounts on school site.
- D. See to it that all teachers/employees participating in the Checkless Payroll within their division have opened an account.
- E. Advise in writing the Servicing Branch of any additional ATM payroll account for new/transferring teachers or employees using the attached Letter of Introduction (LOI). **See attached Form B**
- F. Require newly hired teachers/employees to submit ATM account number with their appointment papers and other supporting documents for inclusion to the Payroll Services Division (PSD) or to their respective Budget and Finance Division for Region Paid.

Chosen Bank shall:

- G. Immediately request Systems Division, Central Office (CO) a soft copy of the text file of the District they are to service.
- H. Input the account nos. of teachers/employees and immediately submit the updated file to Systems Division Central Office (CO). For Region paid, submit the updated file to the Budget and Finance Division of the Region.

III. PROCESSING OF PAYROLL

- A. The Division Office shall submit the updated monthly report of service (Form 7) to Payroll Services Division or Budget and Finance Division of the Region (for Region paid) on or before the 5th day of the following month.
- B. For PSD Processed:
 - the preliminary payroll printed by the Payroll Services Division shall be forwarded to the IBM Accounting Section not later than the 8th of the current month to give the accountant-in-charge ample time to audit payments based on submitted Form 7.

- Report of cancellations shall be prepared by the Accountant-in-charge and shall be transmitted to the Payroll Services Division on or before 10th of the current month
 - The Payroll Services Division shall update the payroll file on or before the 11th of the current month based on report of cancellation submitted by the IBM-Accounting Section.
- C. The Payroll Services Division or Budget and Finance Division of the Region (for Region paid) shall accomplish the following on or before the 15th of the current month:
- Prepare final payroll listing in 5 ply continuous form and individual pay slips.
 - Prepare 2 copies of the payroll register and diskette as required by the bank (See Attachment A). An extra payroll disk/tape shall be maintained by DepEd which shall be available to the bank should the original copy be found unreadable/ defective.
 - Furnish the regional accountant the total amount for credit to the teachers' bank account.
- D. In case deadline falls on weekends or holidays, all deadlines shall be adjusted to coincide with the last working day prior to the weekend or holiday.

IV. FUNDING

DepEd Regional Office shall:

For DepEd Regional Depository Bank:

- A. Submit to the ATM Servicing Bank the Authority to Debit from payroll account covering the payroll amount for the current month not later than the 17th day of the month. Debit from the DepEd Regional Office payroll account and credit to the individual teachers bank account shall be on or before the 21st of the current month.
- B. If the 21st of the current month falls on Saturday, Sunday or Holiday, the payroll shall be credited a day before Saturday, Sunday and Holiday

For Non-DepEd Regional Depository Bank:

- C. Deposit to the payroll account with the ATM Servicing Bank the amount covering the payroll for the current month not later than the 17th day of the month. Credit to the individual teachers bank account shall be on the 21st of the current month.

V. CREDITING OF PAYROLL ACCOUNTS

Systems Division shall advise the ATM Servicing Bank of the date of inclusion of the teachers/employees in the initial payroll payout through ATM.

The ATM Servicing Bank shall make teacher's/employees' payroll withdrawable not later than the 22nd of the current month.

The ATM Servicing Bank shall submit a duly certified report of credit to individual ATM accounts on or before the end of the current month to the Payroll Services Division for PSD paid and Budget and Finance Division for Region paid.

VI. ACCOUNT MAINTENANCE

School Principal shall:

Advise ATM Servicing Branch and DepEd-Payroll Services Division Central Office (for PSD paid) or Budget and Finance Division (for Region paid) through a written notice when any of the covered teacher / personnel has been terminated or has resigned/ retired from the service and such notice shall be ATM Servicing Bank's basis to close the ATM Account.

LIST OF TEACHERS/ OTHER PERSONNEL FOR ACCOUNT OPENING

_____ District -
 _____ School

Division Code Number	Station Code Number	Employee Number	Name of Employee/ Teacher (First Name [space] Surname)	Account Number (to be filled by the Bank)
			Ferdie San Jose	
Prepared By: _____ (Signature above printed name) SCHOOL PRINCIPAL Verified Correct By: _____ (Signature above printed name) Division Superintendent			This Portion to be accomplished after account opening. Account Number Certified By: _____ (Signature Above Printed name) ATM Servicing Branch MANAGER Conforme: _____ (Signature above printed name)	

Form B

DEPARTMENT OF EDUCATION
LETTER OF INTRODUCTION

Date

The Manager
(ATM Servicing Bank)
_____ Branch

Sir/ Madam:

Please be advised that the bearer, _____, is included in the Checkless Payroll System thru (ATM Servicing Bank). Please furnish him/ her signature cards for your authentication.

Very truly yours,

(Signature above printed name)
School Principal

ATTACHMENT A

PAYROLL DATA REQUIREMENT

1. Magnetic Media Options

Payroll data can be stored using the following media.

1.1 Diskette

- 3.5
- Ds, HD 1.44MB or 2.0 MB

1.2 Tape

- 6250 or 1600 cpi recording density
- no label

2. Requirements

2.1 The payroll file should contain only transactions for the current pay period and a control total record as the last record.

2.2 Data in diskette form should be written using the ASCII or TXT format while those in tape reels should be in EBCDIC

2.3 For diskette, the amount field should not have a decimal point and leading blanks should be padded with zeroes.

2.4 For tape, records should be blocked 50 record to a block and the tape file should be unlabeled.

2.5 The filename for the diskette should be:

Sammdd.txt

Where mm is the month and dd is the payday; e. g.
SA1215. txt for December 15 payroll.

3. Record Formats

3.1 Diskette

3.1.1 File Data Record

COLUMNS	DESCRIPTION	FORMAT/ DEFAULT VALUES	TYPE
1 - 10	Account Number	9999999999	N
11 - 50	Account Name	X (40)	C
51 - 65	Transaction Amt.	9 (13) V99	N
66 - 68	Host Branch	999 Branch Code	N
69 - 73	Batch Number	99999 To be assigned	N
74 - 80	Filler	Spaces	C

3.1.2 Control total record - the account number for this record is always 9999999999.

COLUMNS	DESCRIPTION	FORMAT/ DEFAULT VALUES	TYPE
1 - 10	Account Number	9999999999	N
11 - 35	Company Name	X (25)	C
36 - 50	Total Amount	9 (13) V99	N
51 - 69	Check Field hash	9 (17) V99	N
70 - 74	Total Record	99999	N
75	Filler	Spaces	C
76 - 80	Batch Number	99999 To be assigned	N

3.2 Tape

3.2.1 File data record

COLUMNS	DESCRIPTION	FORMAT/ DEFAULT VALUES	TYPE
1 - 10	Account Number	9999999999	N
11 - 50	Account Name	X (40)	C
51 - 65	Transaction Amt.	9 (13) V99	N
66 - 68	Host Branch	999 Branch Code	N
69 - 73	Batch Number	99999 To be assigned	N
74 - 80	Filler	Spaces	C
81 - 92	Reference Number	X (12)	C
93 - 100	Filler	Spaces	C

3.2.1 Control Total Record – The account number for this record is always 9999999999.

COLUMNS	DESCRIPTION	FORMAT/ DEFAULT VALUES	TYPE
1 – 10	Account Number	9999999999	N
11 – 35	Company Name	X (25)	C
36 – 50	Total Amount	9 (13) V99	N
50 – 69	Check field Hash	9 (17) V99	N
70 – 74	Total Records	99999	N
75	Filler	Spaces	C
76 – 80	Batch Number	99999 To be assigned	N
81 – 92	Reference Number	X (12)	C
93 – 96	Payroll Date	99999 MMDD	N
97 – 100	Filler	Spaces	C

4. The Payroll Register in hard copy should contain the following information

- Account Number
- Account Name
- Credit Amount
- Payroll Credit Date
- Total Payroll Amount