

Republika ng Pilipinas
(Republic of the Philippines)
KAGAWARAN NG EDUKASYON, KULTURA AT ISPORTS
(DEPARTMENT OF EDUCATION, CULTURE AND SPORTS)
UL Complex, Pasig, Metro Manila

October 1, 1992

DECS O R D E R
No. 97, s. 1992

ESTABLISHMENT OF DECS PROVIDENT FUND

To: Undersecretaries
Assistant Secretaries
Bureau Directors
Directors of Services/Centers and Heads of Units
Regional Directors
Schools Superintendents
Presidents, State Colleges and Universities
Vocational School Superintendents/Administrators

1. Pursuant to the provisions of Administrative Order No. 279, the DECS Provident Fund is hereby established.
2. Generally, the DECS Provident Fund aims to provide DECS officials and employees with benefits and loans for emergency needs; for their education and that of their children; for their hospitalization and that of their immediate dependents; for minor but immediate needed repair of their houses; and for other similar purposes to be determined by the National Board of Trustees.
3. The beneficiaries of this Fund are the teachers, as defined in the Magna Carta for Public School Teachers, and the administrative support staff (nonteaching) of the Central Office, the regional offices, and other field offices of the Department.
4. As provided in the Implementing Guidelines of the DECS Provident Fund, copy inclosed, all regional directors are hereby directed to constitute their respective Regional Board of Trustees and Secretariat, and submit the names of the members to the Employees Welfare and Benefits Division, HRDS.
5. Immediate and wide dissemination of the contents of this Order to all concerned is desired.

(SGD.) ARMAND V. FABELLA
Secretary

Incl.: As stated
Reference: None
Allotment: 1-2-3--(M.O. 1-87)
To be indicated in the Perpetual Index
under the following subjects:

BOARD or COUNCIL
BUREAUS & OFFICES
EMPLOYEES
FUNDS
ORGANIZATION

POLICY
REPORTS
RULES & REGULATIONS
TEACHERS

(Inclosure to DECS Order No. 97, s. 1992)

Republic of the Philippines
DEPARTMENT OF EDUCATION, CULTURE AND SPORTS
DECS PROVIDENT FUND
University of Life Complex, Meralco Avenue
Pasig, Metro Manila

IMPLEMENTING GUIDELINES FOR THE DECS PROVIDENT FUND

Pursuant to the provisions of Administrative Order No. 279, the DECS Provident Fund is hereby established. The following implementing guidelines are adopted:

I. General Objective

The Fund shall aim to provide DECS officials and employees with benefits and loans for emergency needs; for their education and that of their children; for their hospitalization and that of their immediate dependents; for minor but immediately needed repair of their houses; and for other similar purposes to be determined by the National Board of Trustees.*

II. Beneficiaries

The beneficiaries of the Fund are the teachers as defined in the Magna Carta for Public School Teachers and the administrative support staff (nonteaching) of the Central Office, the regional offices and other field offices of the Department of Education, Culture and Sports who incur official payroll deductions.

III. Governance

1. The overall administration and management of the DECS Provident Fund shall be entrusted to the National Board of Trustees, henceforth to be known as the Board.*
2. The National Board of Trustees shall be composed of the Undersecretary for Finance as Chairman; the Assistant Secretary for Human Resource Development as Vice-Chairman and Chief Executive Officer; a representative from the Department of Budget and Management appointed by its Secretary; a Regional Director elected by his peers; a Bureau/Center/Service Director elected by his peers; a teacher-representative appointed by the Department Secretary from among nominees of duly recognized teachers organizations; and a representative of the administrative group who is also appointed by the Secretary from among the nominees of nonteaching organizations.*

3. A Regional Board of Trustees shall be created to manage and administer the operations of the Fund at the regional level. The Regional Director shall serve as Chairman of the Board, and a Superintendent elected by his peers as Vice-Chairman. The Regional Board shall have the following members:
 - a. The Chief of the Administrative Division as Executive Officer and Head of the Secretariat;
 - b. A teacher-representative appointed by the Regional Director from among nominees of duly recognized teachers organizations in the region;
 - c. A representative of the administrative group who is also appointed by the Regional Director from among nominees of duly recognized nonteaching organizations in the region; and
 - d. A Division Chief from the Regional Office elected by his peers.

IV. Terms of Office

All appointive and elective positions in the National and Regional Board of Trustees shall have a term of one year, except for ex-officio members including the Regional Directors in the Regional Boards, after which new sets of officers shall be elected/appointed in the Board.

V. Functions and Responsibilities of the Board

i. National Board of Trustees

- a. Promulgate, apply, and enforce policies, rules and regulations related to the use and operation of the Fund.*
- b. Determine the type, use and amount of loans and other benefits that may be granted to DECS employees and prescribe the applicable repayment schedules and interest rates.*
- c. Prescribe the eligibility requirements for applicants, claimants, and grantees.*
- d. Designate and appoint other officers and staff of the Board as may be necessary from among the regular personnel of the Central Office and prescribe their duties, functions and responsibilities.*

- e. Create, constitute, delegate authority to and supervise the Regional Boards which shall undertake the implementation of policies, rules and regulations governing the Fund.*
- f. Approve all loans, other benefits, and other payments from the Fund.*
- g. Perform such other functions as may be necessary to realize the objectives and purposes of the DECS Provident Fund.

2. Regional Board

- a. Implement the policies, rules and regulations promulgated by the National Board of Trustees.
- b. Administer and supervise the operations of the Fund at the regional level.
- c. As the need arises, designate and appoint other staff and officers of the Regional Board from among the regular staff of the Regional Office.
- d. Render periodic report to the National Board of Trustees on the status of operations and financial condition of the Fund.
- e. Perform such other functions as may be necessary to effectively carry out the implementation of the policies, rules and regulations promulgated by the National Board of Trustees.

VI. Secretariat of the Board

- 1. The Employees Welfare and Benefits Division shall serve as the Secretariat of the National Board of Trustees. The Division Chief, as Head of the Secretariat, shall recommend to the Board the functions, organization, and compensation for overtime services of the staff for approval of the Board.*
- 2. The Secretariat of the National Board of Trustees shall monitor the activities of the regional chapters.
- 3. The Regional Board shall create its own respective Secretariat, determine its specific functions, organization and compensation for overtime services rendered by its clerical staff.

4. The Secretariat shall be the implementing arm of the Fund. It shall designate officers from among the present employees of the Accounting, Cash and Administrative Divisions/Units in coordination with their respective Chiefs who shall attend to matters related to the disbursement of the Fund.

VII. Functions of the Secretariat

1. Implement the policies, rules and regulations promulgated by the Board.
2. Take charge in the operations of the Fund subject to the limitations established by the Board.
3. Approve loans as delegated by the Board.
4. Serve as "think tank" of the Board.
5. Supervise the lending operations of the Funds with authority to suspend the privileges granted by the Fund in accordance with the rules and regulations promulgated by the Board.
6. Subject to the resolution of the Board of Trustees, to execute all contracts, agreements, deeds, bonds, mortgages, and other obligations in the name of the Fund.
7. Prepare and submit a budget for the administration of the Fund as well as a list of the necessary personnel and salaries.
8. Coordinate and keep records of the remittances, collections, and financial transactions of the Fund.
9. Authorize the receipts and disbursements of funds pursuant to the resolution and orders of the Board and to require receipts, vouchers, invoices and other documents which are necessary for proper accounting.
10. Provide support/clerical staff for the Board of Trustees.
11. Perform other functions as may be assigned by the Board.

VIII. Disbursement and Processing Procedure

All loan applications shall be approved by the Secretariat, as delegated by the Board, after which the processing of approved loan applications shall go through the normal procedures presently employed by the DECS Central Office/Regional Offices in the processing of vouchers and disbursement of funds.

IX. Compensation of Staff and Operational Expenses

1. The members, officers, and staff of the National and Regional Boards shall serve without compensation, except for payment of actual overtime services rendered by the clerical staff.*
2. Reasonable expenses incurred by the members of the National and Regional Boards in connection with Board activities will be reimbursed provided such expenses are properly supported with receipts and other pertinent documents,* subject to the usual accounting and auditing rules and regulations.

X. Limitations and Restrictions on the Use of the Fund

1. All policies, rules and regulations governing the Fund must provide for the widest and most equitable dispersal of benefits, and preserve the integrity of the Fund and maintain its viability.*
2. The principal of the Fund may be utilized to extend guaranteed loans.*
3. To insure the widest and most equitable distribution of benefits, the Fund shall be distributed in the fifteen (15) regions, with the Central Office as one region, pro-rated to the number of positions for public school teachers and administrative support staff in each region. Twenty percent (20%) of the initial \$75 Million shall be set aside to serve as common fund to be maintained by the National Board. Similarly, twenty percent (20%) of the allocation in each region shall be maintained by the Regional Board to serve as common fund. Augmentation or replenishment for one type of loan which has a higher demand or which fund has already been exhausted shall be derived from the common fund.
4. In the granting of loans and benefits, the following order of priority shall be observed:
 - a. Emergency Loans for Members and Immediate Members of the Family
 - (1) Accident/Illness which poses danger to life and limb and requires immediate medical care for members and immediate members of the family;
 - (2) Losses due to natural calamities, particularly fire, of members and immediate members of the family; and
 - (3) Death of immediate member of the family.

c. Sudden Loss of Income of Spouse

Any other type of emergency loan shall be elevated to the Board for approval.

5. In addition to the above-mentioned order of priority, the granting of loans shall be determined by the monthly/annual income of applicants and on a first-come-first-serve basis. Applicants with lower salaries shall be given priority.
6. Applicants with less than one thousand pesos (P1,000.00) monthly take home pay are not eligible to borrow from the Fund.
7. A quota for each type of loan shall be set by the Board. The funds for one type of loan may be used for other types of loan which require higher demand, subject to the approval of the Board. Augmentation for one type of loan which has a higher demand than the other types of loans may be derived from the common fund.
8. All borrowers shall be required to have a co-maker who is a permanent employee of the Department and whose salary is equal or higher than that of the principal borrower.
9. The amount of loan which may be availed of is two thousand pesos (P2,000.00) with an interest rate of 6% per annum. However, this amount and rate may be changed as may be necessary subject to the Board's approval.
10. Expenses and other payments shall be charged against income from operations and any surplus shall accrue to the principal at the end of the fiscal year.*
11. Repayment of loans shall be in twelve (12) equal monthly installments through automatic deduction from the borrower's salary,* either by agency payroll or PSD deduction. A member may apply for renewal of his/her loan after he/she shall have paid six (6) monthly amortizations provided that there is no pending loan application of higher priority.
12. Any unutilized portion of the Fund after a substantial period of time may be invested exclusively in Treasury Bills or other government securities.*

13. Whatever balance remaining in the Fund shall revert to the National Treasury in the event of termination of the Fund.*

XI. Audit of the Fund

1. The Fund and its operations shall be audited by the Commission on Audit, through its representative,* annually.
2. The National Board of Trustees, through its Secretariat, may request the Commission on Audit to assess the operations and financial status of any Regional Fund as may be necessary.

XII. Annual Report

1. The National Board of Trustees shall prepare and submit an annual report on the overall operations of the Fund and its financial condition and status at the end of each year to the Office of the President, the Department of Budget and Management, and to the Secretary of Education, Culture and Sports.*
2. The Regional Boards shall prepare and submit a similar annual report two weeks before the end of December every year to the National Board and to the Secretary of Education, Culture and Sports.
3. Failure to submit said requirements will warrant the suspension of all new transactions on the Fund until such time that the report is submitted.*

* Provided in Administrative Order No. 279

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