



SEP 22 2009

DepED O R D E R
No. **101**, s. 2009

REITERATION OF THE PROHIBITION ON DEPED OFFICIALS/PERSONNEL
IN ENTERING INTO A MEMORANDUM OF AGREEMENT (MOA)
AND TO ACT AS AGENTS OF PRIVATE LENDING
INSTITUTIONS (PLIs)

To: Undersecretaries
Assistant Secretaries
Bureau Directors
Regional Directors
Schools Division/City Superintendents
Heads, Public Elementary and Secondary Schools
All Others Concerned

1. This is with reference to reports being received by this Office concerning the activities of DepED officials and personnel, especially those in the fiscally autonomous secondary schools, entering into and signing a Memorandum of Agreement (MOA) with Private Lending Institutions (PLIs) and/or allowing their Disbursing Officers and Cashiers to act as collecting agents relative to loans extended by PLIs to DepED teachers/personnel under the Department's Automatic Payroll Deduction System (APDS).

2. Reports have also reached this Office that some school heads allow their Disbursing Officers/Cashiers to put into practice the following:

- a. Automatically deduct the monthly loan amortization of DepED teachers and personnel from their pay envelopes in favor of PLIs, even if they are not reflected in the payroll but appearing in the pay slips;
- b. Personally deliver the collections to the PLIs during office hours without Authority to Travel from the appropriate authority. This is risky on the part of those concerned DepED employees; and
- c. Collect monthly service fees from the PLIs but are not remitting the same to the National Treasury.

3. The said practices are a clear violation of DepED Memorandum No. 118, s. 2008, entitled "Lifting of the Moratorium on the Issuance of Automatic Payroll Deduction System (APDS) Lending Codes" and DepED Memorandum No. 190, s. 2006, entitled "Prohibiting DepED Personnel to Act as Agent for Both Accredited and Unaccredited PLIs" to APDS, which states in part:

- a. Item 5 of DepED Memorandum No. 118, s. 2008, "A single accreditation system of PLIs with the assignment of "deduction codes" shall be authorized by the Secretary only through execution of an APDS-MOA."

b. Item 1.4 of the Revised Guidelines and Criteria on Accreditation/Re-accreditation and Revocation of Code under APDS (enclosure to DepED Memorandum No. 118, s. 2008) – “Institutions participating in the APDS shall be subject to the following service fees which shall be deposited with the National Treasury for the Trust Receipt Account of the Department of Education:

4.1 For collection on loans for banks and insurance companies = 1% of amount collected; and

4.2 For collection on loans for teachers cooperative, teachers associations, non-stock/profit savings and loan associations, mutual benefit association = 0.5% of amount collected”;

c. Item 3 of DepED Memorandum No. 190, s. 2006 – “An official or employee who serves as an agent for the PLIs shall be deemed to have a conflict of interest and can be administratively charged or suspended for such”.

4. In view of the abovementioned policies/guidelines, all DepED officials and personnel involved in the payroll servicing, including those from the fiscally autonomous secondary schools, are henceforth directed to:

a. Refrain from entering into a separate MOA with PLIs whether accredited or unaccredited under the Department’s APDS. In effect, only deductions for APDS accredited PLIs are allowed to be integrated in the payroll for monthly salaries which must also be reflected in their respective payslips;

b. Be consistent in the preparation of payroll for monthly salaries whereby loan amortizations of DepED teachers and personnel must also be reflected in their respective payslips;

c. Cease to deliver loan collections personally to the PLIs; and

d. Collect corresponding service fees for the loan remittances to be released to accredited PLIs pursuant to Item 1.4 as mentioned above and deposit the same to the National Treasury.

5. Any DepED official and employee who will be found violating this Department policy shall be dealt with administratively.

6. Immediate dissemination of and compliance with this Order is directed.

K. 9 - Bacani
RAMON C. BACANI
Undersecretary
Officer-in-Charge

References: DepED Memorandum: (Nos. 118, s. 2008 and 190, s. 2006)

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

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

COOPERATIVES

POLICY

SALARY

TEACHERS