MEMORANDUM

TO: SCHOOLS DIVISION SUPERINTENDENTS

FROM: TOLENTINO G. AQUINO
Regional Director

SUBJECT: REITERATION TO THE VERIFICATION OF LOAN AMORTIZATIONS TO BE INCORPORATED IN THE PAYROLL FOR SALARIES OF DEPED REGION 1 PERSONNEL.

DATE: March 4, 2021

1. The DepEd Central office issued memorandum dated August 17, 2020 on verification of loan amortization in the payroll for salaries of DepEd personnel and Memo OUF No. 2020-718 reiterating the same. Both Memos were eventually endorsed to all School Division Superintendents for information and compliance.

2. This office, however, still receives reports on the approval of loans, particularly GSIS and Provident Fund loan, which resulted in reduction of employees-borrower’s monthly net take home pay (NTHP) to an amount lower than P5,000.00.

3. With the reduction of NTHP of the employee-borrower, the loans obtained from Pag-Ibig, LBP and other PLI’s are bumped off.

4. The following provides the listing of bumped off and granted below NTHP;
### Division | Number of Loans Bumped off by GSIS (As per PLI’s report) | Number of Provident Loan Granted with Low NTHP (Feb 2021 billing)
--- | --- | ---
Pangasinan I | 126 | 9
Ilocos Sur | 4 | 
Alaminos | 9 | 
Ilocos Norte | 2 | 
Pangasinan II |  | 1

5. The office, thus, reiterates that the loan verifiers and AAO’s to be more cautious and prudent enough to evaluate the loan request taking into consideration that NTHP of the employee-borrower.

6. It is also reminded that if it will be found out that loan verifiers and persons recommending approval acted in bad faith and without regard to their functions as such, they shall be dealt with accordingly.

7. For guidance of all concerned.

Reference No.: M-192
RPSU/bha/Memo_ReiterationofLoanVerification
MEMORANDUM
OUF NO. 2020-718

For: REGIONAL DIRECTORS
     SCHOOLS DIVISION SUPERINTENDENTS
     SCHOOL HEADS
     ALL OTHERS CONCERNED

Attention: Regional Chiefs of Finance and Administrative Divisions
           Chief, Personnel Division, BHROD
           Regional and Schools Division Human Resource Management Officers
           Schools Heads of Implementing Units (IU)Secondary School
           Heads of Regional Payroll Services Unit
           Heads of Finance and Administrative Unit, Schools
           Designated Agency Authorized Officers (AAOs)
           Designated DepEd Verifiers

From: ANNALYN M. SEVILLA
      Undersecretary for Finance

      RAMON FIEL G. ABCEDE
      Assistant Secretary for Finance

Subject: REITERATION OF MEMORANDUM DATED 17 AUGUST 2020
         ENTITLED “VERIFICATION OF LOAN AMORTIZATIONS TO BE INCORPORATED IN THE PAYROLL FOR SALARIES OF DEPED PERSONNEL”

Date: DECEMBER 11, 2020

1. This is to reiterate this Department’s Memorandum dated August 17, 2020, on the above subject, copy attached.

2. To ensure compliance with the above Memorandum, please be reminded that the assessment made by the Agency Authorized Officers (AAOs-for GSIS loans), loan endorsers (for Pag-IBIG loans) and DepEd Loan Verifiers shall be non-discretionary. This means that they shall not recommend loan approval to GSIS/Pag-IBIG/LBP/PLIs, if upon assessment, the resulting loan amortization will reduce the employee’s monthly net take home pay (NTHP) to an amount lower than Five Thousand Pesos (P5,000.00). Otherwise, this will cause disruption in the payroll deduction system and those responsible for recommending the approval of the loan shall be dealt with administratively.

3. For strict compliance.
MEMORANDUM

TO: ALL REGIONAL DIRECTORS
SCHOOLS DIVISION SUPERINTENDENTS
DIRECTOR IV, BUREAU OF HUMAN RESOURCES AND
ORGANIZATIONAL DEVELOPMENT (BHROD)

ATTENTION: Regional Chiefs of Finance and Administrative Divisions
Officer-In-Charge, Personnel Division, BHROD
Regional and Schools Division Human Resource Management Officers
School Heads of Implementing Unit (IU) Secondary Schools
Heads of Regional Payroll Services Unit
Heads of Finance and Administrative Unit, Schools Division Offices
Designated Agency Authorized Officers
Designated DepEd Verifiers

FROM: ANMALYN M. SEVILLA
Undersecretary for Finance

RAMON FIEL G. ABCEDE
Assistant Secretary for Finance

SUBJECT: VERIFICATION OF LOAN AMORTIZATIONS TO BE INCORPORATED IN THE PAYROLL FOR SALARIES OF DEPED PERSONNEL

DATE: August 17, 2020

1. Reports have reached this Office that there are designated Agency Authorized Officers (AAOs) and Human Resource Management Officers (HRMOs) who continuously recommend the approval of GSIS, HDMF (Pag-IBIG), Land Bank of the Philippines (LBP) and DepEd Provident Fund loan applications of DepEd personnel without the Net Take Home Pay (NTHP) verification by the designated DepEd Verifier. This practice resulted in the bumping off of other loan amortizations already integrated in the payroll. (See Attachments A1 to A4).

2. Accordingly, this Office reiterates the directives in DepEd Order No. 14, s. 2019 titled “Guidelines for the Implementation of the P5,000 NTHP for Department of Education Personnel for Fiscal Year 2019,” Part IV (Procedures), Item 6.b of the Enclosure quoted below, thus:

   “6. In accordance with the above-cited provisions in the FY 2019 GAA and the consequent rules promulgated by the Department, deductions will be integrated in the payroll in the following manner:

2/F Rizal Building, DepEd Complex, Meralco Avenue, Pasig City
Telephone No.: (02) 8633-9342; Fax No.: (02) 8638-3703; Email Address: usec.financial@deped.gov.ph
Process Flow for the Verification of Net Take Home Pay (NTHP)
By DepEd Verifiers Under the Department's Automatic Payroll Deduction System

FOR RENEWAL OF CURRENT GSIS CONSO-LOANS WITH UNDEDUCTED OBLIGATIONS;
AND EMERGENCY/CALAMITY LOAN WITH UNDEDUCTED OBLIGATIONS (SAME PROCESS FLOW)

<table>
<thead>
<tr>
<th>BORROWER</th>
<th>AAO</th>
<th>VERIFIER</th>
</tr>
</thead>
<tbody>
<tr>
<td>File application through G-W@PS Kiosk</td>
<td>Check loan application at cert.gsis.gov.ph. E-mail the details of the Borrower and loan to the Verifier.</td>
<td>Compute if the monthly amortization can be accommodated through salary deduction based on pay slip details and DM-OUFDA-2018-0011 / DM-OUFDA-2018-0013.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>If amortization can be accommodated through salary deduction, tag the Borrower and loan in the Ledger and e-mail the AAO that amortization can be accommodated. If not, e-mail the AAO that amortization cannot be accommodated.</td>
</tr>
</tbody>
</table>

Approve / Disapprove loan. GSIS will send text confirmation to Borrower.
FOR GFAL + RENEWAL OF DUE AND DEMANDABLE (DND) CONSO-LOAN WITHOUT UNDEDUCTED OBLIGATIONS

<table>
<thead>
<tr>
<th>BORROWER</th>
<th>AAO</th>
<th>VERIFIER</th>
</tr>
</thead>
<tbody>
<tr>
<td>GFAL → File application at GSIS for tentative computation</td>
<td>Check completeness of requirements. If incomplete, return application to Borrower. If completed, e-mail Verifier for authenticity of pay slip, and:</td>
<td>Check authenticity of pay slip. If not authentic, e-mail AAO that pay slip is not authentic. If authentic, compute if the monthly amortization can be accommodated through salary deduction based on pay slip details and verified transactions in the Verifier’s Ledger.</td>
</tr>
<tr>
<td>Conso-Loan → G Wis Pas Koak Submit application to AAO with three (3) months pay slip for certification</td>
<td>GFAL → Tagging of monthly amortization</td>
<td>If cannot be accommodated, e-mail the AAO that the transaction cannot be accommodated. If can be accommodated, tag the Borrower and loan in the Ledger and e-mail AAO that the transaction can be accommodated.</td>
</tr>
<tr>
<td>Approved: GFAL → Certify the application Conso-Loan → Approve GSIS will send text confirmation to borrower</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disapproved: GFAL → Note the application with:</td>
<td>Disapproved due to:</td>
<td></td>
</tr>
<tr>
<td>Conso-Loan → GSIS will send text confirmation to borrower</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Process Flow for the Verification of Net Take Home Pay (NTHP)
By DepEd Verifiers Under the Department's Automatic Payroll Deduction System

FOR LOANS TO BE GRANTED BY GOVERNMENT SERVICE INSURANCE SYSTEM (GSIS)

<table>
<thead>
<tr>
<th>BORROWER</th>
<th>AAO</th>
<th>VERIFIER</th>
</tr>
</thead>
<tbody>
<tr>
<td>File application through GSIS Wireless Automated Processing System (G-W@PS) Kiosk</td>
<td>Check all types of loan application* through cert.gsis.gov.ph. E-mail the details of the Borrower and loan to the Verifier. *Except for policy loan with no salary deduction</td>
<td>Compute if the monthly amortization can be accommodated through salary deduction based on pay slip details and verified transactions in the Verifier’s Ledger. Tag the Borrower and loan in the Ledger. E-mail verification result to AAO.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Approve / Disapprove loan based on Verifier’s e-mail. GSIS will send text confirmation to borrower</td>
</tr>
</tbody>
</table>

NOTE: AAO shall send the monthly report of all approved loans to the Verifier for the latter to update the status of the transaction in the Ledger.

Appplies to all GSIS products to be verified.
<table>
<thead>
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<th>VERIFIER</th>
</tr>
</thead>
<tbody>
<tr>
<td>File application at GSIS for tentative computation and submit to AAO with three (3) months pay slip for certification.</td>
<td>Check completeness of requirements. If incomplete, return application to Borrower. If complete, e-mail the details of the Borrower and loan to the Verifier.</td>
<td>Check authenticity of pay slip. If authentic, tag the Borrower through the Verifier's Ledger and e-mail the AAO that the pay slip is authentic. If not authentic, e-mail the AAO that the pay slip is not authentic.</td>
</tr>
<tr>
<td>File the application at GSIS.</td>
<td>If pay slip is authentic, certify the application.</td>
<td>If pay slip is not authentic, note the application with: Disapproved due to:</td>
</tr>
</tbody>
</table>
Process Flow for the Verification of Net Take Home Pay (NTHP)
By DepEd Verifiers Under the Department’s Automatic Payroll Deduction System

FOR GFAL + RENEWAL OF DND CONSO-LOAN
WITH UNDEDUCTED OBLIGATIONS

<table>
<thead>
<tr>
<th>BORROWER</th>
<th>AAO</th>
<th>VERIFIER</th>
</tr>
</thead>
</table>
| GFAL → File application at GSIS for tentative computation
Conso-Loan → G-W@PS Kiosk Submit application to AAO with three (3) months pay slip for certification |
| Check completeness of requirements. If incomplete, return application to Borrower. If complete, e-mail Verifier for authenticity of pay slip. and:
GFAL → Tagging of monthly amortization
Conso-Loan → Validation of monthly amortization and terms of loan |
| Check authenticity of pay slip. If authentic, tag the Borrower through the Verifier’s Ledger and e-mail the AAO that the pay slip is authentic. If not authentic, e-mail the AAO that the pay slip is not authentic. |
| Approved:
GFAL → Certify the application
Conso-Loan → Approve GSIS will send text confirmation to borrower |
| Disapproved:
GFAL → note the application with:
Disapproved due to:
Conso-Loan → GSIS will send text confirmation to borrower |
| File the application at GSIS |
a. xxx

b. All prospective salary deductions in favor of entities falling under categories (b), (c), (d), (e), and (f) covered by Section 52, as well as non-mandatory contributions and loan payments to the GSIS and HDMF, must undergo the process for NTHP verification described in Annex “B” (for Enclosure 2) and Annex “C” (for Enclosure 3) of DepEd Order No. 18, s. 2018, or an applicable variation thereof, prior to being billed and subsequently integrated in the payroll;” (underscoring supplied)

3. For ready reference and guidance, attached are copies of the Process Flows regarding NTHP verification by the designated DepEd Verifiers. (See Attachments B1 to B11).

4. The said verification processes ensure that only financial obligations within the NTHP of DepEd personnel are incorporated into the payroll to:
   a. eliminate the practice of going from one lender to another using only one pay slip for a certain month;
   b. stop the granting of loans by GSIS, Pag-IBIG, LBP and DepEd Provident Fund recommended by designated AAQs and HRMOs without the NTHP verification by the designated DepEd Verifier;
   c. cleanse the payroll of Undeducted Obligations due to loans approved beyond a DepEd personnel’s capacity to pay; and
   d. unburden borrowers with penalties and additional interests on loans.

5. Designated AAQs and HRMOs found to recommend the approval of application for loans from GSIS/Pag-IBIG/LBP/DepEd Provident Fund without prior confirmation by the designated DepEd Verifiers of the school/division/region despite this reminder shall be dealt with accordingly.

6. For strict compliance.

A.M. SEVILLA

R.F.G. ABCDE

Enclosures: As stated

jeanmi

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