

REPUBLIKA NG PILIPINAS

REPUBLIC OF THE PHILIPPINES

KAGAWARAN NG EDUKASYON, KULTURA AT ISPORTS

DEPARTMENT OF EDUCATION, CULTURE AND SPORTS

DECS Complex, Meralco Avenue  
Pasig City, Philippines



Sama-Sama  
sa DECS

*Tanggapan ng Pangalawang Kalihim*  
*Office of the Undersecretary*


**SEP 26 2001**

DECS ORDER  
No. 50, s. 2001

**REVISED IMPLEMENTING GUIDELINES FOR THE DECS PROVIDENT FUND**

To : Undersecretaries  
Assistant Secretaries  
Bureau Directors  
Regional Directors  
Directors of Services/Heads of Units/Centers  
Schools Superintendents

1. In order to make the DECS Provident Fund more responsive and relevant to the needs of DECS officials and employees, this Office is issuing the enclosed program's revised implementing guidelines.
2. All regional directors are hereby directed to re-constitute their Regional Board of Trustees to administer and supervise the operations of the Fund. Secretariats in the regional and division levels shall be created to ensure efficient and effective delivery of services. The regional boards of trustees are also directed to ensure and enhance accessibility to the Fund's benefits for all public school teachers and non-teaching personnel in the field.
3. Immediate and wide dissemination of this Order to all concerned is desired.

  
**ERNESTO S. FANGAN**  
Undersecretary

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Tel. # 633-72-59  
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As stated

References:

DECS Orders: Nos. 97, s. 1992; 3, s. 1998; and 3, s. 1999

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

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

CHANGE  
EMPLOYEES  
FUNDS  
TEACHERS

## REVISED IMPLEMENTING GUIDELINES FOR THE DECS PROVIDENT FUND

### I. General Objectives

The 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 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 (non-teaching) of the Central, regional, division and other field offices of the Department of Education, Culture and Sports who have permanent/regular status of employment and who incur official payroll deductions.

### III. Governance

1. The over-all 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 Service, or his/her equivalent, as Vice-Chairman and Chief Executive Officer; a representative from the Department of Budget and Management; 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 nominees of non-teaching organizations.
3. A Regional Board of Trustees shall be created to manage and administer the operations of the Fund at the regional level. It shall be accountable and responsible to the National Board for the over-all status and financial condition of the Fund in 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 be composed of:
  - a. The Chief of the Administrative Division as Executive Officer and Head of the Secretariat
  - b. The Chief of the Regional Budget and Finance Division;
  - c. A Chief of any of the regional Elementary/Secondary/Non-Formal Education Division

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- d. A teacher representative appointed by the Regional Director from among nominees of duly recognized teachers' organizations in the region; and
- e. A representative of the administrative group who is also appointed by the Regional Director from among nominees of duly recognized non-teaching organizations in the region.

#### IV. Terms of Office

All appointive and elective positions in the National/Regional Board of Trustees shall have a term of one (1) 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. There is no prohibition, however, against the re-appointment of officers in the Board for another term of one (1) year.

#### V. Functions and Responsibilities of the Board

##### 1. 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 purpose of the DECS President Fund.

##### 2. Regional Board of Trustees

- 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.

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- d. Render periodic report to the National Board of Trustees on the status of operations and financial conditions 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.
- f. Create Division Secretariats to be headed by the Division Superintendent to administer the operations of the Fund in the division level under the supervision of the Regional Board. The Division Secretariat shall render quarterly report to the Regional Board on the status of operations and financial condition of the Fund.

#### 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 all 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. It shall also create Secretariats in the division offices to administer the operations of the Fund in the division level.
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, conceptualizing and developing projects to be funded by the Fund for approval by the Board.
5. Supervise the lending operations of the Fund with authority to suspend the privileges granted by the Fund in accordance with the rules and regulations promulgated by the Board.
6. The Secretariat of the National Board of Trustees shall recommend the release of fund allocation to the regional chapters based on an approved set of evaluative criteria established for this purpose. Similarly, the regional secretariats shall recommend the release of fund allocation to the different division chapters.

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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.

8. Prepare and submit a budget for the administration of the Fund, as well as a list of the necessary personnel and salaries.
9. Coordinate and keep records of the remittances, collections and financial transactions of the Fund.
10. 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 necessary for proper accounting.
11. Prepare status reports of operations on a quarterly basis and coordinate with the Accounting Division for the preparation of the Fund's financial reports. The regional secretariats shall also prepare consolidated annual report for submission to the National Secretariat which shall in turn consolidate all regional reports and prepare the over-all annual report.
12. Provide support staff/clerical staff for the Board of Trustees.
13. 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/Regional/Division Offices in the processing of vouchers/payrolls and disbursement of funds.

Purchase of assets of the Fund and other payments for approved expenses shall follow the usual procurement, accounting and auditing procedures and rules and regulations. Assets of the Fund shall refer to office equipment intended to improve operations, such as computers for the exclusive use of the Secretariats, and such other properties that will be utilized for the benefit of DECS teachers and employees. Provided, however that, expenses for the purchase of assets and for approved expenses such as payment of overtime services and purchase of supplies, shall not exceed two percent (2.0%) and twenty percent (20.0%), respectively, of the retained earnings on operations of the Provident Fund.

All financial transactions pertinent to the Fund, including asset purchases, shall be recorded in accordance with the standard charts of accounts.

#### **IX. Compensation of Staff and Operational Expenses**

1. The members, officers, and staff of the National/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/Regional Boards in connection with Board activities will be reimbursed chargeable against the retained earnings on operations, provided such expenses are properly supported with receipts

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and other pertinent documents and subject to the usual accounting and auditing rules and regulations.

3. Expenses for the overtime pay of clerical staff and for the proper maintenance and operations of the Fund's assets may be charged against twenty percent (20.0%) of the retained earnings of the Fund's operations, subject to the usual government 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 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. 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.
3. To insure the widest and equitable distribution of benefits, the Fund shall be distributed to the sixteen (16) regional chapters, with the Central Office as one regional chapter, pro-rated to the number of plantilla positions for public school teachers and administrative support staff in each region. Similarly, the regional chapters shall distribute its fund allocation to its division chapters pro-rated to the number of plantilla positions for public school teachers and administrative support staff in each division. Requests for additional funding for the regional chapters shall be in the form of a Regional Board Resolution submitted to the National Board, through its Secretariat. A copy of the latest status report on the Fund's financial condition shall be attached to the Board Resolution.
4. The loan shall be used for the following purposes:
  - a. Regular loans for emergency needs of members and immediate members of the family
    - a.1 Accident/Illness which poses danger to life and limb and requires immediate medical attention for members and immediate members of the family
    - a.2 Death of immediate member of the family
    - a.3 Educational loans for members and immediate members of the family
  - b. Calamity Loans
    - b.1 Losses due to natural and man-made calamities, i.e. fire, typhoons, earthquake, war/terrorism, robbery
    - b.2 Repair of houses due to calamity
  - c. Special Loans
    - c.1 Hospitalization of member or immediate member of the family due to accidents and requiring immediate and/or long-term medical attention
    - c.2 Educational expenses of member or that of his/her children if his/her spouse is not gainfully employed
    - c.3 Payment of housing loan equity or arrears, non-payment of which resulted from other immediate emergency expense, and may result in foreclosure of housing unit

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5. The maximum amount of regular emergency loan and calamity loan shall be Five Thousand Pesos (P5,000.00), and Eight Thousand Pesos (P8,000.00), respectively. The special Provident Fund loan in the amount of Twenty Thousand Pesos (P20,000.00) up to a maximum limit of Fifty Thousand Pesos (P50,000.00) may be extended to the teachers/employees upon approval by the Board Chairman of a written request, subject to the availability of funds, the actual need of the teacher/employee-applicant, and to the pertinent limitations set forth, without prejudice to other pending loan application for the regular and/or calamity loans.
6. A borrower may avail of the regular or calamity loan and the special loan simultaneously.
7. The requirements for the different types of loans are as follows:
  - a. Regular Emergency Loan
    - a.1 Accomplished application form
    - a.2 Latest pay slip/payroll indicating monthly salary deductions
  - b. Calamity Loan
    - b.1 In addition to the above requirements, a certification from the barangay chairman indicating that the borrower is a bonafide resident of subject barangay
  - c. Special Loan
    - c.1 Letter request, including appropriate supporting documents for the purpose of the loan, for approval of the Board Chairman
    - c.2 Upon approval of the letter request, the member shall submit the same requirements for the regular emergency loan
8. The granting of loans shall be determined by the monthly/annual income of the applicants and on a first come first served basis. Applicants with lower salaries and those who are not entitled to receive service fees shall be given priority in the granting of loans.
9. Applicants whose net take home pay from their monthly basic salary is less than Two Thousand Pesos (P2,000.00) are not eligible to borrow from the Fund.
10. All types of loans shall have an interest rate of six percent (6%) per annum, add-on and straight computation. The regular emergency and calamity loans shall be paid in twenty-four (24) equal monthly installments (two [2] years), while the special loan may be paid in either thirty-six (36, three [3] years) or sixty (60, five [5] years) equal monthly installments. However, special loan amounts in excess of Twenty Thousand Pesos (P20,000.00) shall be paid in thirty-six (36) equal monthly installments (three [3] years). In all cases, repayment of loans shall be through automatic deduction from the borrower's salary, either by agency payroll or PSD-IBM deduction.
11. The National/Regional Board may allow renewal of the regular and calamity loans as long as sixty percent (60%) of the previous loan has been paid and the balance of the principal amount shall be deducted from the new loan, provided, however that, there are no pending applications for new loans.

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12. A borrower may request for additional special Provident Fund loan in excess of Twenty Thousand Pesos (P20,000.00) but not exceeding Fifty Thousand Pesos (P50,000.00), provided that he/she has paid at least twenty-four (24) monthly amortizations of his/her first special Provident Fund loan, subject to the availability of funds and without prejudice to pending applications for new loans and the regular and/or calamity loans.
13. All borrowers must have a co-maker who is a permanent employee of the Department and not due for retirement during the pendency of the loan.
14. Requests to purchase assets for the regional/division chapters shall be made in writing in the form of a Board Resolution submitted to the National Board, through its Secretariat, for approval.
15. Any unutilized portion of the Fund after a substantial period of time may be invested exclusively in Treasury Bills or other government securities. Income earned from such investments shall accrue to the Provident Fund.
16. 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 or as the need arises.
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/Division Chapter's 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 consolidated annual report (including the division offices under it) two weeks before the end of December of every year to the National Board. The Regional Boards shall also submit quarterly reports of the financial condition of the Fund to the National Board, through its Secretariat, using the format hereto attached as Annex "A."
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.

Republic of the Philippines  
**DEPARTMENT OF EDUCATION, CULTURE AND SPORTS**  
**DECS PROVIDENT FUND**  
 Region \_\_\_\_\_

**STATUS REPORT**  
 As of end of Month, Year \_\_\_\_\_

Month	No. of Loans Granted B	Allotment Received C	Disbursement D	Collections/Remittances		Bank Interest / Net Charges / Withholding Tax G	Total (E+F+G) H	Balance (I'+C+H-D) I	Receivables (J'+D-E) J	Remarks K
				Principal E	Interest F					
Totals forwarded										
Month 1										
Month 2										
Month 3										
Sub-total										
Total to date										

Prepared by: \_\_\_\_\_

Certified Correct: \_\_\_\_\_

Approved: \_\_\_\_\_

Accountant \_\_\_\_\_

Regional Director  
 Chairman, Regional Board of Trustees