

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

March 25, 1991

DECS O R D E R  
No. 34, s. 1991

PERSONAL LIABILITY FOR PENALTIES ARISING  
FROM BANK OVERDRAFTS AND SURCHARGES

To: Regional Directors  
All Others Concerned

1. Under the DBM Modified Disbursement System (MDS) guidelines, Notices of Cash Allocation (NCA) are issued on the 15th and corresponding MDS checks are drawn on the 20th of each month. Teachers' salary checks are prepared in advance and sent to division superintendents for distribution.
2. Apparently, some regional offices do not immediately deposit the required MDS checks corresponding to NCAs received for continuous form checks such that teachers encash their salary checks and create an overdraft in the agency account. If the deposit could not be made for any reason, superintendents should have been directed not to release the continuous form salary checks to teachers.
3. Two DECS servicing banks have complained of such overdrafts and given warning that in the future, penalties and surcharges shall either be imposed or the checks shall be dishonored.
4. In view thereof, all penalties and surcharges arising from such overdrafts shall be considered personal liability of the regional director, regional accountant, and cashier. Any instance of bouncing checks shall merit corresponding administrative sanctions against the responsible persons.
5. Please be guided accordingly.

(SGD-) EDNA F. FORMILLEZA  
Undersecretary  
Officer-in-Charge

Reference:

None  
Allotment: 1--(M.O. 1-87)  
To be indicated in the Perpetual Index  
under the following subjects:

✓ COMPLAINTS  
✓ OFFICIALS  
✓ SUPERINTENDENTS