



Republic of the Philippines
Department of Education
REGIONAL OFFICE NO. VIII (EASTERN VISAYAS)
Government Center, Candahug, Palo, Leyte



February 13, 2017

REGIONAL MEMORANDUM

No. **071** / **15** / 2017

SERVICE FEE COLLECTION AND DEPOSIT

To: Schools Divisions Superintendents
All Others Concerned

1. Attached is Unnumbered **Memorandum dated January 30, 2017**. All Implementing Units through the Division Offices are hereby directed to ensure strict compliance with the reporting provisions for Service Fees collected per attached Work Flow Process (**Annex A**) for reference and guide.
2. In this connection, **Annexes B and C** shall be submitted to the Regional Office for Consolidation on or before **March 15, 2017**.
3. For CY 2017, all IUS are directed to submit their reports to the Regional Office **one week before the deadline** set forth in this memo to provide enough time for the Regional Office to compile and consolidate the reports needed.
4. Immediate dissemination of and strict compliance with this Memorandum are desired.

RAMIR B. UYTICO, Ed.D., CESO IV

i OIC-Regional Director

Enclosures: Memorandum dated January 30, 2017

References: None

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

Service Fee Collection and Deposit
Provident Fund Program

Automatic Payroll Deduction System (APDS)



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Republic of the Philippines Department of Education

Office of the Undersecretary for Finance -
Disbursements and Accounting

DEPARTMENT OF EDUCATION

RECEIVED

RECORDS SECTION

January 30, 2017

MEMORANDUM

TO : ✓ All Regional Directors
Schools Division Superintendents
School Heads of Fiscally Autonomous Secondary Schools
Department Chief Accountant, Accounting Division
Chief, Cash Division
Chief, Employee Account Management Division
Chief, Personnel Division

FROM : *Victoria M. Catibog*
Undersecretary VICTORIA M. CATIBOG
Finance – Disbursements and Accounting

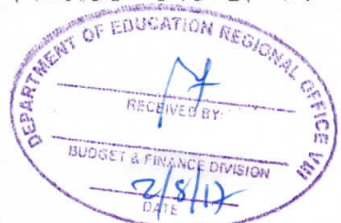
ATTENTION : Regional Chiefs of Finance and Administrative Divisions
Schools Division Chief Administrative Divisions and Accountants
School Accountants/Bookkeepers

SUBJECT : **COLLECTION OF SERVICE FEES DEDUCTED FROM THE MONTHLY REMITTANCES DUE TO AUTOMATIC PAYROLL DEDUCTION SYSTEM (APDS)-ACCREDITED ENTITIES**

1. This pertains to the financial report on Service Fee (SF) collections that has reached the DepEd Provident Fund (PF) National Board of Trustees (NBT).
2. Records of the Accounting Division, Finance Service, this Department, reveal that from Fiscal Year 2015 to present, only Regions XI and XII have implementing units (IUs) that reported their SF collections deposited to the Bureau of Treasury (BTr) with a total amount of PhP 14,456,036.10. There may be some IUs/offices that regularly deposit SF collections to the BTr but are not aware that Certifications of SF Deposits must also be requested from the said Office to support the Department's request for the issuance of Notice of Cash Allocation (NCA) to the Department of Budget and Management (DBM). Thus, we have attached a copy of the Work Flow Process on the matter, for your ready reference and guidance (Annex "A").
3. Please also be reminded of the following provisions on Service Fee (SF) collections:

* Please disseminate (to schools Division office) schools concerned

RCR 1-30-246



ORD FAX
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- 3.1 DepEd Memorandum No. 228, s. 2011 entitled, "Re-opening of Accreditation/Re-accreditation of Private Lending Institutions under the DepEd-Automatic Payroll Deduction System (APDS) Clean-Up Program," particularly Item 8 of its Revised Guidelines:

"8. Entities participating in the APDS shall be subject to the following service fees which shall be collected by the Department of Education (central, region, division, and schools with fiscal autonomy) and deposited to its Trust Receipt Account in the National Treasury:

8.1 For banks, insurance companies and financing companies = One per cent (1%) of amount remitted/collected

8.2 For mutual benefits associations, teachers' cooperatives/ associations, non-stock savings and loans associations = One half per cent (0.5%) of the amount remitted/collected."

- 3.2 DepEd Memorandum No. 489, s. 2009 entitled, "Revised Automatic Payroll Deduction System (APDS) Guidelines on Accreditation/Re-Accreditation of Insurance Companies, Mutual Benefit Associations, Cooperatives/Associations and Other Organizations Authorized by Law," particularly Item I.4 of its Revised Guidelines:

"4. Entities participating in the APDS shall be subject to the following service fees which shall be collected by the Department of Education (central, region, division, and schools with fiscal autonomy) and deposited to its Trust Receipt Account in the National Treasury:

4.1 For insurance companies and thrift banks = Three percent (3%) of amount remitted/collected; One per cent (1%) for policy loan

4.2 For associations/cooperatives, non-stock savings and loan associations, and mutual benefits associations = One percent (1%) of the amount remitted/collected."

- 3.3 Item 4.d of DepEd Order No. 101 s. 2009 entitled "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)", directing all DepEd officials and personnel involved in the payroll servicing, including those from the fiscally autonomous secondary schools or IUs, to collect corresponding SFs for the loan remittances to be released to APDS-accredited PLIs and deposit the same to the Bureau of Treasury (BTr).

4. May we also reiterate that the SF collections are for the benefit of all DepEd employees, given that SFs are one of the primary sources of the DepEd Provident Fund (PF), pursuant to Section 7 of Administrative Order No. 279, s. 1992 which states that, *"The primary source of the Fund herein authorized shall be the balance of service fees paid by public and private agencies availing of procurement, payroll deduction, and other services rendered by the departments, bureaus, offices, and agencies concerned."* Moreover, a study on the proposed expansion and enhancement of the DepEd PF Program is being conducted by the

DepEd PF NBT, which proposes to include an Employer-Employee Contribution Scheme as part of the additional Retirement/Separation Benefits of the employees (on top of the GSIS retirement benefits), among others. This conforms with Item 8 of the 10-Point Education Agenda 2016-2022 of Secretary Leonor M. Briones which states that, ***"We will expand the scope of employee welfare, to respond to felt and reasonable needs by our academic and non-academic personnel."***

5. In this regard, all concerned are hereby instructed to revisit all SFs deposited to the BTr, regardless of the date and year they transpired, and check if they were issued Certifications of SF Deposits by the said Office. All SF deposits without the corresponding Certification must be consolidated and requested to the BTr for issuance of the same by the DepEd IUs concerned. All Certifications not yet issued the NCA must be submitted to the Regional Finance Division for consolidation, which shall then prepare a summary report (see Annex "B" for the report template) to be forwarded to the DepEd Central Office through the Accounting Division, Finance Service, copy furnished DepEd PF NBT Secretariat, on or before **March 31, 2017**.
6. Moreover, for monitoring and records purposes, all IUs at the central, regional, schools divisions and fiscally autonomous schools are likewise instructed to submit Quarterly Reports on SF Collections (in electronic and hard copies), using the same template specified in Item 5 above, to the DepEd PF NBT through its Secretariat, starting on the period covering the Fourth Quarter of Fiscal Year 2016, scheduled hereunder. All reports from the region, schools divisions and fiscally autonomous schools shall be compiled and consolidated by the Regional Finance Division prior to submission.

Cut-off Period	Deadline
1st quarter	On or before April 30
2nd quarter	On or before July 31
3rd quarter	On or before October 31
4th quarter	On or before January 31 of the following year

7. Lastly, please provide this Office with a list of focal persons for service fee collections for each DepEd IU, together with employee and contact details (see Annex "C"), to be submitted together with the summary report per region on or before the specified deadline.
8. For immediate compliance.

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V. M. CATIBOG

