



Republic of the Philippines
Department of Education
REGION V - BICOL
SCHOOLS DIVISION OFFICE OF CATANDUANES

UNNUMBERED MEMORANDUM:

OSDS-PER-UM-03-28-2023/MBL

TO : Secondary School Heads of Implementing Units
HRMO Personnel
SDO and School PLI Verifiers
All Others Concerned

FROM : **SUSAN S. COLLANO**
Schools Division Superintendent

DATE : March 28, 2023

SUBJECT : **Advisory re: Private Lending Institutions Concerns**

1. Please be informed of the attached Advisories from DepEd Regional Office V dated March 21 and March 17, 2023 re: Non-processing of retirement benefits/documents pertaining to the transfer of stations and Other Related Matters Due to Outstanding Financial Obligations; Early Submission of Deletion and Billing Files for the month of April; and Requirement for the Preparation, Issuance, and Delivery of Official Receipts to SDOs and Implementing Units/Fiscal Autonomous Schools with Automatic Payroll Deduction System (APDS).
2. For information, guidance, and compliance.

MBL/UM - PLI CONCERNS
023 /MARCH 28, 2023



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Republic of the Philippines
Department of Education
REGION V - BICOL
Regional Site, Rawis, Legazpi City



ADVISORY

March 21, 2023

**To : PRIVATE LENDING INSTITUTIONS
SCHOOLS DIVISION SUPERINTENDENTS
SCHOOL HEADS OF IMPLEMENTING UNITS
All Other Concerned**

**Subject : Non-processing of retirement benefits/documents
pertaining to the transfer of stations and Other
Related Matters Due to Outstanding Financial Obligations**

This Office receives various requests from external stakeholders not to process the retirement benefits and other similar claims/requests of DepED Personnel, including those about to transfer to another station if these DepED Personnel have outstanding financial obligations with Private Lending Institutions (PLIs).

Please be informed that such a request cannot be given in due course by this Office for the following reasons:

1. Under DepED Order No. 20, s. 2021, the provision for requiring clearance as proof of final settlement of retiring or transferring DepED Personnel, is not a requirement for issuance of either clearance or Certificate of Last Payment (CLP);
2. Under the DepED Citizen's Charter provisions on processing Certificate of Last Payment and Office Clearance, it does not require clearance from PLIs before a concerned DepED Office (school, SDO, RO, and CO) gives due course to the issuance of the aforesaid documents; and,
3. Under the Contract of Loan provisions prepared by PLIs on cases where the DepED Personnel, provides that when a borrower resigns, retires, or is removed, or in any manner separated from the service of the DepED, the outstanding balance of this loan shall immediately be due and demandable.

As such, a PLI cannot validly requests from this Office or even a co-maker to halt the processing of retirement benefits, issuance of CLP, and other related processes of any DepED Personnel due to his/her outstanding balance.

The same is in keeping with the basic provision under the Civil Code that the privity of contracts is exclusive only to the contracting parties.

In this case, DepED is not a party to the contract of loan entered into between PLI and DepED Personnel.

Therefore, DepED or its officers cannot allow or even accept any requests from PLIs and co-makers to suspend the processing of retirement benefits, or issuance of CLP simply because these retiring or transferring employees still have outstanding loan balances with their respective creditors.

We hope that we have clarified the matter.

Please be guided.


GILBERT T. SADSAD
Regional Director



Republic of the Philippines
Department of Education
REGION V - BICOL
Regional Site, Rawis, Legazpi City



ADVISORY

March 21, 2023

To : PRIVATE LENDING INSTITUTIONS
All Other Concerned

Subject : Early Submission of Deletion and Billing Files for the
Month of April

This Office is cognizant of the impending series of local and regular Holidays during the first week of April.

To effectively recognize all your deletion and billing files, we recommend that such files be submitted to this Office, to select Schools Division Offices (SDOs Sorsogon City, Sorsogon Province, Catanduanes, and Camarines Norte) and Implementing Units on or before **March 31, 2023**.

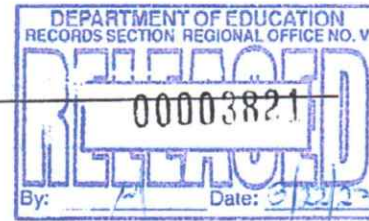
The regular timetable for submission will resume in May 2023.

Please be guided.

GILBERT T. SADSAD
Regional Director



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ADVISORY
March 17, 2023

To : PRIVATE LENDING INSTITUTIONS

Subject : Requirement for the Preparation, Issuance, and Delivery of Official Receipts to Schools Division Offices and Implementing Units/Fiscal Autonomous Schools with Automatic Payroll Deduction System (APDS)

This Office received various reports from the field, particularly from Schools Division Offices and Implementing Units/Fiscal Autonomous Schools utilizing the Automatic Payroll Deductions System (APDS) that some of your branches are not observing the issuance and delivery of Official Receipts (ORs) at the time your local branch received the remittance check or the copy of the validated LDDAP-ADA.

Under Section 7.1., DepED Order No. 20, s. 2021, it provides **that the Lender shall issue an OR to DepED within fifteen (15) days after the remittance of payments. Failure to do so will cause the suspension of the release of succeeding remittances until the issuance of the OR.** (emphasis supplied)

In the case of your branches which are relatively proximate to the SDO and IUs/FAS, you may issue the subject OR **simultaneously** with the receipt of the check or copy of the validated LDDAP ADA to save time and resources as well.

However, for IUs/FAS which are far from your local branch, **we recommend that you strategize a mechanism for issuing the OR within 15 days**, which we deem an appreciable time within which to issue the same. Otherwise, this Office shall invoke the abovementioned policy and submit a report directly to the DepED CO citing **non-compliance** to DepED Order No. 20, s. 2021.

As such, whether the concerned SDO or IUs/FAS is near or far from your local branch, the latter has the obligation to issue the subject OR to the former.

Meanwhile, **the same policy provides clearly that the Lender shall pick up the remittance check from DepED**, not the other way around.

In short, it is the obligation of the Lender to get the check or even the copy of the validated LDDAP ARA from DepED. It is not the responsibility of any DepED Personnel to visit your nearest local branch simply to remit unless you have an existing LBP Account wherein DepED can deposit the remittance.

Again, the foregoing challenge is expected to be resolved by your local branch by initiating the appropriate mechanism as stated earlier.

We are expecting that your respective local branches shall continue to observe the provisions of the subject DepED policy.

On the part of SDOs and IUs/FAS, they shall be responsible for communicating with you as regards the availability of the remittance check or the copy of the validated LDDAP ADA. **They are also empowered to prepare and submit a written report directly to this Office should non-compliance to DepED Order no. 20, s. 2021 becomes apparent.**

Please be guided accordingly.



GILBERT T. SADSAD
Regional Director