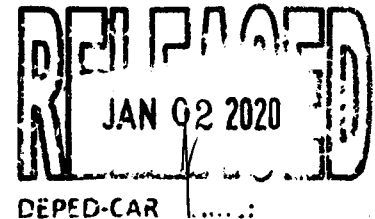


January 2, 2020

REGIONAL ORDER  
No. 001.2020



**RECONSTITUTING THE COMPOSITION OF THE REGIONAL OFFICE AUTOMATIC PAYROLL  
DEDUCTION SYSTEM (APDS) TASK FORCE**

TO: Schools Division Superintendents  
School Heads  
Chief of Divisions/Units  
Regional Office Employees  
All Others Concerned

1. Pursuant to paragraphs 35 to 37, Enclosure 1 of DepEd Order No. 18, s.2018 (Revised Guidelines on Accreditation/Re-accreditation of Private Entities under the Automatic Payroll Deduction System (APDS) Program), the composition of the Regional Automatic Payroll Deduction System (APDS) Task Force is hereby reconstituted effective January 2, 2020 as follows:

Chairperson :	FLORANTE E. VERGARA	- OIC-Assistant Regional Director
Members :	EDGARDO T. ALOS	- Chief Administrative Officer Administrative Division
	SEBASTIAN G. TAYABAN	- Chief Administrative Officer Finance Division
	CORNELIA ADACI DULNUAN	- Supervising Administrative Officer Administrative Division Head, Payroll Services Unit
	CORAZON B. WALCIEN	- Accountant III Finance Division

**Contact Numbers (Area Code: 074):**

Office of the Regional Director	422-1318	Administrative Division	422-1804	CLMD	422-7096	HRDD	422-9590
Fax	422-4074	Cash Section	423-2215	LRMDS	422-0615	NEAP-R	422-5500
Office of the ARD	422-9590	Payroll Section	424-3993	ESSD	423-2218	PPRD	422-9590
ICT Unit	422-1318	Records Section	423-2213	Finance Division	422-5155	QuAD	422-5187
Public Affairs Unit	422-1318	Supply Section	422-2198	FTAD	424-5187	COA	422-7434
Legal Unit	423-2214	General Services Unit	422-1804				



Republic of the Philippines  
DEPARTMENT OF EDUCATION  
**CORDILLERA ADMINISTRATIVE REGION**  
Wangal, La Trinidad, Benguet, 2601  
Website: [www.depedcar.ph](http://www.depedcar.ph) | Email: [car@deped.gov.ph](mailto:car@deped.gov.ph)



AIDA L. PAYANG

- Chief Education Supervisor  
Quality Assurance Division

ATTY. VANESSA B. FLORA

- Attorney IV

2. The Regional Automatic Payroll Deduction System (APDS) Task force shall accredit applications on APDS accreditation for lending business from DepEd Personnel Cooperatives only in accordance with Accreditation/Re-accreditation Process under DepEd Order No. 18, s. 2018.

3. Please be guided accordingly.

  
MAY B. PCLAR, Ph.D., CESO V  
Regional Director

ADMIN/eta

**Contact Numbers (Area Code: 074):**

Office of the Regional Director	422-1318	Administrative Division	422-1804	CLMD	422-7096	HRDD	422-9590
Fax	422-4074	Cash Section	423-2215	LRMDS	422-0615	NEAP-R	422-5500
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ICT Unit	422-1318	Records Section	423-2213	Finance Division	422-5155	QuAD	422-5187
Public Affairs Unit	422-1318	Supply Section	422-2198	FTAD	424-5187	COA	422-7434
Legal Unit	423-2214	General Services Unit	422-1804				



Republic of the Philippines  
**Department of Education**

11 APR 2018

DepEd ORDER  
No. 18 s. 2018

**REVISED GUIDELINES ON ACCREDITATION/RE-ACCREDITATION OF PRIVATE ENTITIES  
UNDER THE AUTOMATIC PAYROLL DEDUCTION SYSTEM (APDS) PROGRAM**

To : Undersecretaries  
Assistant Secretaries  
Bureau and Service Directors  
Regional Directors  
Schools Division Superintendents  
School Heads  
All Others Concerned

1. The Department of Education hereby issues the enclosed **Revised Guidelines on Accreditation/Re-Accreditation of Private Entities under the Automatic Payroll Deduction System (APDS) Program**.
2. ~~DepEd Order No. 49, s. 2017~~ entitled *Revised Guidelines on Accreditation/Re-Accreditation of Private Lending Institutions (PLIs) under the Automatic Payroll Deduction System (APDS) Program*, ~~DepEd Memorandum No. 489, s. 2009~~ entitled *Revised Automatic Payroll Deduction System (APDS) Guidelines on Accreditation/Re-Accreditation of Insurance Companies, Mutual Benefits Associations, Cooperatives/Associations and Other Organizations Authorized by Law*, and all earlier DepEd issuances on the same subject are hereby repealed.
3. All other rules, regulations and issuances, which are inconsistent with these guidelines are hereby repealed or modified accordingly.
4. These guidelines shall take effect upon posting on the DepEd website.
5. Immediate dissemination of and strict compliance with this Order is directed.

  
**LEONOR MAGTOLIS BRIONES**  
Secretary

Encl.: None

Reference: None

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

ACCREDITATION  
DEDUCTIONS  
EMPLOYEES  
PAYMENTS  
POLICY

SALARY  
STRAND: Finance and  
Administration  
TEACHERS

(ENCLOSURE 1 TO DEPED ORDER NO. 18, S. 2018)

**REVISED GUIDELINES  
ON ACCREDITATION/RE-ACCREDITATION OF PRIVATE ENTITIES UNDER THE  
AUTOMATIC PAYROLL DEDUCTION SYSTEM (APDS) PROGRAM**

**I. RATIONALE**

1. The Department of Education, as a government agency, is authorized by various laws, rules and regulations to deduct from salaries of its employees such amounts intended for the payment of contributions and other obligations due to specified government and private entities.

2. Such authorization, however, is concurrently limited by other laws. Section 21 of RA 4670 or the Magna Carta for Public School Teachers states that "No person shall make any deduction whatsoever from the salaries of teachers except under specific authority of law authorizing such deductions".

3. Section 66, Title I(A), Book V of the Administrative Code of 1987 provides that "Except as may otherwise be provided by law, it shall be unlawful for a treasurer or other fiscal officer to draw or retain from the salary due an officer or employee, any amount for contribution or payment of obligations other than those due the government or its instrumentalities".

4. In addition, Congress has imposed limitations on the extent of the amount that may be deducted, as well as on the order of preference of the deductions, through the General Provisions of the General Appropriations Act (GAA). For 2018, the General Provisions of the General Appropriations Act include:

*"Sec. 48. Authorized Deductions. Deductions from salaries and other benefits accruing to any government employee, chargeable against the appropriations for Personnel Services, may be allowed for the payment of an individual employee's contributions or obligations due to the following, and in the order of preference stated below:*

- a) The BIR, PHILHEALTH, GSIS and HDMF;
- b) Non-stock savings and loan associations and mutual benefit associations duly operating under existing laws and cooperatives which are managed by and/or for the benefit of government employees;
- c) Associations or provident funds organized and managed by government employees for their benefit and welfare;
- d) GFIs authorized by law and accredited by appropriate government regulating bodies to engage in lending;
- e) Licensed Insurance companies; and
- f) Thrift banks and rural banks accredited by the BSP.

*In no case shall the foregoing deductions reduce the employee's monthly net take home pay to an amount lower than Five Thousand Pesos (P5,000)."*

5. In the implementation of authorized deductions, the DepEd is also under responsibility to consider the welfare of the teachers and employees. Among the powers, duties and functions of the Secretary of the Department of Education, as provided in Section 7 (A) of RA 9155 or the Governance of Basic Education Act of 2001, is "(E)nhanding the employment status, professional competence, welfare and working conditions of all personnel of the Department".

6. The responsibility to look after the welfare of teachers and employees is also a policy of the President, as stated in ~~Message~~ Message for the 2018 General Appropriations Act, as follows:

### "III. Conditional Implementation

#### D. Protection to Government Employees

While I recognize the convenience to government employees in authorizing agencies to deduct the amount of their contributions and obligations to financing institutions under General Provisions, Section 48, "Authorized Deductions," Volume I-B, p. 629, their overall protection remains to be my primordial concern. Government agencies are not merely collecting agents for these institutions, but influential representatives of government employees availing of this salary deduction facility. Government agencies should, therefore, leverage the facility given to these institutions to secure for government employees the most favorable terms possible for the protection of their rights and the promotion of their interest.

xxx"

7. As part of DepEd's implementation of the authorized deduction from salaries, it has been implementing a centralized Accreditation for the inclusion of private entities in its Automatic Payroll Deduction System (APDS). The Accreditation provides standards that private entities must comply with to be included in the APDS. The Accreditation also facilitates the orderly implementation of the limitations on authorized deductions, including the observance of the minimum monthly net take home pay (NTHP) as well as the order of preference of deductions.

8. This Revised Guidelines on Accreditation/Re-Accreditation of Private Entities under the APDS is issued to enhance the existing rules and criteria for Accreditation/Re-accreditation, for continuous systems improvement. Further guidelines relative to deduction from salaries of government employees may be issued by the Department as deemed necessary.

## **II. SCOPE**

9. The revised guidelines apply to private entities authorized under existing laws to be paid through salary deductions and applying to participate in the APDS at the national, regional, division, district and school levels.

10. Accreditation/Re-accreditation shall be valid for a period of three (3) years from the date of the signing of the Terms and Conditions of the APDS Accreditation (TCAA) by the representative of the accredited entity, unless the Accreditation is earlier revoked by DepEd for grounds as provided in the TCAA.

11. All DepEd personnel and offices at the Central, Regional, Schools Division, and school level, with or without fiscal autonomy, shall abide by these guidelines.

### **III. POLICY STATEMENT**

12. The DepEd shall regulate the use of its APDS to facilitate and ensure orderly implementation of salary deductions authorized by law, adherence to legal limitations on salary deductions, and protection and promotion of the welfare of all teachers and employees.

13. Only entities specifically authorized by law to be paid through salary deductions of teachers' and personnel's contributions and obligations may apply for Accreditation/Re-Accreditation.

14. The DepEd shall impose a ceiling on interest rates, service charges, and other fees charged by lending institutions participating in the APDS.

15. The DepEd shall endeavor to prevent and eliminate illegal and unauthorized deductions from the salaries of DepEd teachers and personnel.

16. Except as otherwise provided by law, a deduction shall be allowed only upon written authorization by the DepEd teacher or personnel.

### **IV. GENERAL PRINCIPLES**

17. A centralized Accreditation/Re-accréditation shall be implemented by the DepEd Central Office as a requirement to participation in the DepEd's APDS. The Accredited/Re-Accredited entity shall be assigned an APDS Code, and Sub-Codes as applicable, by the DepEd Central Office (CO) through the Employee Account Management Division (EAMD), which shall act as the APDS Secretariat. However, for cooperatives whose membership is exclusive to teaching, non-teaching, and teaching-related DepEd personnel, current or retired (hereinafter referred to as "~~DepEd personnel cooperatives~~"), and whose operations are limited to one Region, accreditation is delegated to the ~~DepEd Regional Office~~.

18. The Accredited/Re-accrédited entity shall sign the TCAA of the APDS Accreditation and acknowledge the same before a notary public.

19. Accreditation/Re-accréditation shall be granted to entities that agree to abide by these specific guidelines, with reference to the following:

- 19.1 Specific authorization by law for payment of contributions or obligations through salary deductions;
- 19.2 Legal existence and license to operate as granted by the government through its different regulators;
- 19.3 Full transparency in reporting operations and financial status;
- 19.4 Grounds for suspensions and revocation of Accreditation; and
- 19.5 Other conditions set forth in the TCAA.

20. Entities, including affiliates/associates/partners with contested ownership or chairmanship are not allowed to participate in the APDS.

21. Entities participating in the APDS as well as all DepEd offices and personnel concerned shall follow the procedures for the verification of the NTHP, as contained in Annex B and C of Enclosures 2 and 3, respectively, of this DepEd Order.

22. Entities shall be allowed to participate in the APDS facility in the province<sup>1</sup> where they have an office established in accordance with law. The office shall have a fully equipped physical site of transaction, inside a building or commercial structure, with a local business permit, proper sign board, telephone landline, and full-time manager and staff who shall maintain complete records, accept payments, issue statements of accounts, official receipts, certificates of full payment, and contracts and membership documents, all within specified timeframes, and attend to other transactions, queries, and complaints of DepEd personnel.

23. Entities that do not have an office in a province may offer loans under APDS to DepEd personnel in that province by making arrangements and entering into legal agreements with affiliate banks, which shall act as the former's agent. The said affiliate banks must have an office in the province that meets the requirements in paragraph 22 hereof.

24. Entities applying for re-accreditation shall have up to three (3) months to comply with paragraphs 22 and 23 from the date of the effectivity of the TCAA. Otherwise, they shall not be allowed to transact under the APDS in provinces where they have no presence.

25. Entities participating in the APDS for lending business shall conform with the ceilings on interest and non-interest rates on loans as shown below. Only loans with a term not exceeding three (3) years will be accommodated under the APDS. Illustrations for the loan computations from one (1) to three (3) years are in Annexes D-1 to D-3 of Enclosure 2 of this DepEd Order.

Particulars	Ceilings
Contractual Interest Rates (based on diminishing/declining principal balance)	1 year – 7.500% per annum (p.a.) or 0.625% per month 2 years – 9.000% p.a. or 0.750% per month 3 years – 9.660% p.a. or 0.805% per month
One-time Other Charges (Must be itemized in the Disclosure Statement)	6.000%, deducted upfront from the principal amount of loan
Effective Interest Rates (EIR) p.a.	1 year – 21.091% 2 years – 16.351% 3 years – 14.886%

26. The said rates may be adjusted anytime by the Department depending on the prevailing market rates in consultation with the relevant government agencies, and on other policy considerations.

27. Entities participating in the APDS shall pay the following service fees, which shall be collected by the DepEd implementing units (Central, Regional, Schools Division, and

<sup>1</sup> For this purpose, Metro Manila will be considered as one province.

Implementing Unit Secondary Schools) through automatic deduction from the remittance due to the Accredited/Re-accredited Entity, in favor of the DepEd Provident Fund:

- 27.1 For loans granted by banks, insurance companies, financing companies: One percent ~~(1%)~~ of amount to be remitted.
- 27.2 For loans granted by non-stock savings and loans associations, mutual benefit associations, and DepEd personnel cooperatives and other associations: One-half of one percent ~~(0.5%)~~ of the amount to be remitted.
- 27.3 For insurance premia due to insurance companies: Three percent ~~(3%)~~ of amount to be remitted.
- 27.4 For mutual benefit membership dues/contributions due to associations/cooperatives, non-stock savings and loan associations, and mutual benefit associations: One percent ~~(1%)~~ of amount to be remitted.

## **V. ACCREDITATION/RE-ACCREDITATION CRITERIA**

### **A. MINIMUM REQUIREMENTS**

28. To be eligible for consideration for accreditation/re-accreditation, applicants must satisfy the following criteria:

- 28.1 Legally organized and duly registered with government regulatory agencies such as the Securities and Exchange Commission (SEC), BSP, Insurance Commission (IC), and Cooperative Development Authority (CDA);
- 28.2 For lending business, the applicant must be authorized to engage in lending based on the primary or secondary purpose stated in the Articles of Incorporation/Cooperation;
- 28.3 For insurance business and mutual benefit and association memberships, the applicant must be authorized to offer insurance policies and mutual benefit and association memberships based on the primary or secondary purpose stated in the Articles of Incorporation/Cooperation;
- 28.4 Operating and in good standing for the current year as certified by SEC, BSP, PDIC, IC, or CDA;
- 28.5 Must have a full-time manager and staff who shall maintain complete records, accept payments, issue statements of accounts, official receipts, certificates of full payment, and contracts and membership documents, all within specified timeframes, and attend to other transactions, queries, and complaints of DepEd personnel;
- 28.6 For new applicants, must have a track record of at least five (5) years of operations for the type of accreditation being applied for; and
- 28.7 Must have sufficient capitalization as provided for by law or regulations, but in no case shall the equity as reflected in the previous year's Audited Financial



Statements (AFS) be less than PhP5 million, except for DepEd personnel cooperatives which shall have equity of at least PhP 2 million.

**B. DOCUMENTS FOR SUBMISSION BY APPLICANTS**

29. For Accreditation of new applicants:
- 29.1 The applicant must submit the following original or certified true copies of the documents issued by the appropriate government regulatory agency:
- 29.1.1 For SEC registered entities:
- a. Certificate of Incorporation/Registration
  - b. Articles of Incorporation and By-Laws, and Amendments, if any
  - c. Updated General Information Sheet
  - d. Certification from SEC that the entity has not been dissolved nor has the Commission received any derogatory information that would prevent it from exercising its primary purpose or business
- 29.1.2 For BSP registered entities (in addition to the required documents from SEC):
- a. Certificate of Authority
  - b. Certification of Good Standing issued by the Philippine Deposit Insurance Corporation (PDIC)
- 29.1.3 For IC registered entities (in addition to the required documents from SEC):
- a. Certificate of Registration
  - b. Certificate of Authority
- 29.1.4 For CDA registered entities:
- a. Certificate of Registration
  - b. Articles of Cooperation and By-Laws, and Amendments, if any
  - c. Updated Cooperative Annual Progress Report (CAPR)
  - d. CDA Certificate of Good Standing intended for DepEd APDS Accreditation purposes (original to be presented for validation purposes)
- 29.1.5 Additional documents required from all new applicants:
- a. Letter of Intent signed by the President/Chairman/Chief Executive Officer
  - b. Latest organization profile
  - c. Ownership structure, including, among others, the percentage of share ownership of the stockholders/members
  - d. Curriculum vitae/bio-data of corporate directors and officers with photocopy of ID with picture and signature. For government employees, the accomplished and filed Civil Service Commission Form 212 (Personal Data Sheet) must be submitted
  - e. List of all products and/or services offered to DepEd personnel. For applications for insurance business and mutual benefit and association

- memberships: approval from their respective government regulatory agencies to offer such products and/or services.
- f. In case of mutual benefit associations, DepEd personnel cooperatives, and associations, a Certification from its President/Chairman that the organization is duly operating under existing laws which are managed by and/or for the benefit of government employees
  - g. AFS for the two (2) immediately preceding years, stamped received by the BIR
  - h. Copy of Income Tax Return (ITR) for the two (2) immediately preceding years, with proof of payment
  - i. BIR Certificate of Registration (Form 2303) of Tax Identification Number (TIN)
  - j. List of main and all field offices/branches, including the names of its managers, with complete addresses, landline telephone numbers, and official e-mail addresses, with a corresponding Certification that the said offices/branches can sufficiently render all the services mentioned in paragraph 21
  - k. For entities applying for accreditation for lending business: sample amortization schedules for each type and term of loan, showing the rates of interest, non-interest, and other charges (itemized), following the Effective Interest Calculation Model in Annexes "D-1" to "D-3" of Enclosure 2
  - l. For entities applying for accreditation for lending business: subscribed statement attesting to the Truth in Lending Act with attached expanded Disclosure Statement on Loan/Credit Transaction (as required under R.A. 3765, Truth in Lending Act)
  - m. Business Permits of all offices/branches intended for lending purposes
  - n. Contract of Lease (effective during the term of the TCAA) or proof of ownership of offices/branches
  - o. For affiliate banks: Certification executed by both the private entity and the affiliate bank stating that the latter can sufficiently render all the services mentioned in paragraph 21 in the province
30. For Re-Accreditation of private entities with existing APDS Codes:
- 30.1 Private entities applying for Re-Accreditation must submit updated documents covering all documents required of new applicants.
  - 30.2 In addition, applicants for Re-Accreditation for lending business must submit in MS Excel format the universal listing of all existing loans by DepEd borrowers, with the following information:
    - a. Name, Region, Schools Division, Station, and Employee Number of the DepEd borrower
    - b. Date/s of loan granted
    - c. Principal amount/s of loan/s granted
    - d. Amount of other charges
    - e. Net proceeds
    - f. Starting month and ending month of the salary deduction/s
    - g. Amount/s of monthly amortization
    - h. All payments made as of the previous month
    - i. Rates of interest: nominal and effective

j. Outstanding loans receivables as of the previous month

31. The Department may, from time to time, require accredited entities to submit hard copies of Promissory Notes, Authorities to Deduct, Disclosure Statements, Subsidiary Ledgers, Insurance Policy Contracts, Certificates of Membership, and other APDS-related membership and transaction documents of DepEd personnel.

**VI. ACCREDITATION/RE-ACCREDITATION PROCESS**

32. Accreditation/Re-accreditation shall be made in cycles of three (3) years starting 2018. Except for the first cycle that shall run from the date of the notarization of the new TCAA until December 31, 2020, subsequent cycles shall run for a full cycle of three (3) years starting January 1, 2021.

33. Entities aspiring to participate in the APDS must submit the complete set of documentary requirements to the following:

33.1 DepEd Central Office (CO) – Banks, insurance companies, financing companies, non-stock savings and loans associations, mutual benefit associations, DepEd associations, and cooperatives which are managed by and/or for the benefit of government employees, except for DepEd personnel cooperatives whose operations are limited to only one (1) region.

33.2 DepEd Regional Office (RO) – DepEd personnel cooperatives whose operations are limited to one (1) region, provided, that for the first cycle beginning 2018, all entities applying for re-accreditation must submit the complete set of documentary requirements to the DepEd CO where the review and evaluation shall be undertaken.

34. Acceptance of applications shall be as follows:

34.1 For lending business, documents already received by the Department as of date of effectivity of this Order shall be honored and evaluated.

34.2 For insurance premia and membership fees, required documents shall be received from May 2 to 30, 2018.

35. DepEd APDS Task Forces comprising of seven (7) members shall be formed at the RO and CO. Each Task Force shall be composed of the following personnel holding plantilla positions:

Designation	RO	CO
Chairperson	a. Regional Director or Assistant Regional Director	a. Director for Finance Service – Disbursements and Accounting (DA)
Members	b. Chief Administrative Officer, Administrative Division	b. Chief Administrative Officer, EAMD
	c. Chief Administrative Officer, Finance Division	c. Supervising Administrative Officer, EAMD
	d. Head, Personnel Section or	d. Chief Administrative Officer,

<b>Designation</b>	<b>RO</b>	<b>CO</b>
	Payroll Services Unit, Administrative Division	Personnel Division
	e. Head, Accounting Unit, Finance Division	e. One (1) representative from the Information and Communications Technology Service
	f. One (1) representative from the Quality Assurance Division	f. One (1) representative from Accounting Division
	g. One (1) representative from the Legal Unit, preferably holding an Attorney position	g. One (1) representative from the Legal Service, preferably holding an Attorney position

36. The designated Chairpersons of the respective Task Forces shall issue a memorandum designating the Task Force members and furnish the Office of the Undersecretary for Finance – DA a copy of the same. A similar process shall be followed in case of changes in the composition of a Task Force.

37. The members of the Task Force may recommend a permanent alternate within the same office, holding a plantilla position, to attend meetings in his/her absence. The Chairperson may designate an officer from the members of the Task Force to officiate a meeting in the Chairperson's absence.

38. The following procedure shall be followed for entities applying at the DepEd CO:

- 38.1 The complete set of documentary requirements must be submitted on or before the deadlines specified, with the letter of intent addressed to the Office of the Secretary, through the Undersecretary for Finance – DA.
- 38.2 The Office of the Undersecretary for Finance – DA, with the assistance of the APDS Secretariat and Regional APDS Task Forces, shall review and evaluate the submitted documents as well as validate compliance with all the necessary requirements by the applicants.
- 38.3 The Office of the Undersecretary for Finance – DA, on the basis of the review, may approve or disapprove the application. For applications for Re-Accreditation, records of the concerned entities' compliance with the previous Memorandum of Agreement (MOA) will be considered in making the decision on whether to approve or disapprove. A letter of notification of the action taken thereon shall be served by the aforesaid Office to the applicants.
- 38.4 If approved, a corresponding TCAA shall be executed by the accredited entity, through its authorized representatives, and acknowledge the same before a notary public.
- 38.5 The responsibilities of the accredited entity are contained in the TCAA (Enclosures 2 and 3), subject to modification whenever necessary.

- 38.6 Accreditation is considered complete only upon the notarization of the TCAA.
39. The following procedures shall be followed for entities applying at the DepEd RO:
- 39.1 The complete set of documentary requirements must be submitted to the concerned DepEd Regional Office on or before the deadlines specified, with the letter of intent addressed to the Regional Director.
- 39.2 The Regional APDS Task Force shall review and evaluate the submitted documents as well as validate the compliance of the cooperative with all the necessary requirements under these guidelines.
- 39.3 On the basis of the evaluation made by the Regional APDS Task Force, the Regional Director may approve or disapprove the application for Accreditation. For applications for Re-Accreditation, records of the concerned cooperative's compliance with the previous MOA will be considered in making the decision. A letter of notification on the action taken shall be served by the aforesaid Office to the applicants.
- 39.4 For approved applications, the Regional Director shall send a written request for the assignment of the APDS Code (and Sub-Codes, if applicable) to the Undersecretary for Finance-DA, through EAMD.
- 39.5 Upon receipt of the APDS Code (and Sub-Codes, if applicable), the corresponding TCAA shall be executed by the accredited entity through its authorized representative.
- 39.6 The roles and responsibilities of both parties, as well as the other terms and conditions of the TCAA, are enumerated in Enclosures 2 and 3, subject to further modification whenever necessary.
- 39.7 Accreditation is considered complete only upon the notarization of the TCAA.
40. Disapproval of the application for Accreditation or Re-Accreditation shall result in the denial of the entity's privilege to transact new business under APDS. However, for entities failing to get approval for Re-Accreditation, the DepEd shall:
- 40.1 For lending business: Continue servicing the collection of existing deductions already included in the APDS, up to the deduction termination dates reflected in the pay slip, and remit the same to the entity. Thereafter, the APDS Code is automatically cancelled.
- 40.2 For insurance premia or membership dues/contributions: Continue servicing the collection of deductions already incorporated in the payroll system, as of the date of the disapproval, for the next three (3) months or until requested for stoppage by the DepEd policy holder/member/depositor, whichever comes earlier, and remit the same to the entity. Within sixty (60) calendar days from the said disapproval, DepEd shall notify the concerned DepEd personnel of the stoppage of deductions, and the latter may transact and/or pay directly to the formerly accredited entity, or terminate their memberships therewith. Thereafter, the APDS Code and Sub-Codes, if any, are automatically cancelled.

## **VII. SUSPENSION OR REVOCATION OF ACCREDITATION**

41. Entities applying for Accreditation agree that such Accreditation may be suspended or revoked by DepEd as may be provided in the TCAA.

## **VIII. MONITORING AND EVALUATION**

42. Monitoring the compliance of APDS accredited entities with these guidelines and the TCAA, including addressing issues that arise in implementation, shall be undertaken by DepEd through the APDS Task Forces and the APDS Secretariat.

43. The APDS Task Forces shall have the following responsibilities within their respective jurisdictions:

- 43.1 Validate the existence of offices of entities during the application stage and as the need arises;
- 43.2 Conduct spot-checking or monitoring activities of the compliance of entities;
- 43.3 Submit annual reports to the Undersecretary for Finance-DA on the compliance of the entity of the TCAA on or before the end of February of each year;
- 43.4 Monitor the submission of annual documentary requirements of school-based cooperatives;
- 43.5 Conduct investigations, fact-finding activities, meetings, and/or mediation activities as necessary to address issues raised by various stakeholders, and submit a corresponding report and/or recommendations to the Undersecretary for Finance – DA for centrally accredited entities and to the Regional Director for school-based cooperatives; and
- 43.6 Other tasks as may be assigned by the Secretary or the Undersecretary for Finance – DA.

44. When conducting monitoring activities such as validation of existence of offices and spot-checking, at least three (3) members of the Task Force should be present.

45. The APDS Secretariat shall have the following responsibilities:

- 45.1 Monitor the submission of annual documentary requirements of centrally accredited entities
- 45.2 Validate and consolidate all reports submitted by the APDS Task Forces
- 45.3 Seek opinion from the Office of the Undersecretary for Legal Affairs as needed
- 45.4 Collect, analyze, and report data on contributions and obligations covered by APDS
- 45.5 Prepare complete staff work on matters needing policy and implementation decisions
- 45.6 Recommend to the Secretary, through the Undersecretary for Finance – DA, appropriate action, including creation of ad hoc bodies to resolve issues when needed
- 45.7 Other related tasks that may be assigned.

46. A periodic review of this guidelines to further enhance its provisions and effectiveness shall be conducted by DepEd.

## **IX. FINAL PROVISIONS**

### **A. REPEALING CLAUSE**

47. DepEd Order (DO) No. 49, s. 2017 entitled, "Revised Guidelines on Accreditation/Re-Accreditation of Private Lending Institutions (PLIs) under the Automatic Payroll Deduction System (APDS) Program", DepEd Memorandum (DM) No. 489, s. 2009 entitled, "Revised Automatic Payroll Deduction System (APDS) Guidelines on Accreditation/Re-Accreditation of Insurance Companies, Mutual Benefits Associations, Cooperatives/Associations and Other Organizations Authorized by Law", and all earlier DepEd issuances on the same subject are hereby repealed.

48. All other rules, regulations and issuances, which are inconsistent with these guidelines are hereby repealed or modified accordingly.

### **B. EFFECTIVITY**

49. These guidelines shall take effect upon posting on the DepEd website.