DIVISION MEMORANDUM
No. 461, s. 2019

June 29, 2019

AUTOMATIC PAYROLL DEDUCTION SYSTEM (APDS) CODE FOR THE DEPED NATIONAL EMPLOYEES UNION (NEU)

To:  DATU ROGER A. MANAPOL - PRINCIPAL IV
      HARRY OBENZA – ADMINISTRATIVE OFFICER IV

1. Pursuant to the unnumbered Regional Memorandum issued on June 26, 2019 by the DepEd Region XI Office, Davao City, this Schools Division Office and its Implementing Unit are enjoined to submit to the Regional Office the MASTFILE of the personnel of this SDO for purposes assigning the NEU code in the APDS (copy of the memorandum is attached).

2. In view thereof, kindly coordinate with the Human Resource Management Office of the Region Office as they are tasked to consolidate the document before submitting it to the DepEd Central Office.

3. For information and strict compliance.

WINNIE E. BATOON, Ed. D.
Assistant Schools Division Superintendent
Office-in-Charge
Office of the Schools Division Superintendent
MEMORANDUM

To: Schools Division Superintendents

Subject: AUTOMATIC PAYROLL DEDUCTION SYSTEM (APDS) CODE FOR THE DEPED NATIONAL EMPLOYEES UNION (NEU)

Date: June 26, 2019


Anent to this, you are hereby directed to submit the latest MASTFILE records of DepEd Non-Teaching Employees in the payroll database (converted to MS Excel file) used for the payrolls of the Implementing Units (IUs).

The abovementioned files shall be consolidated by the Schools Division Office and be submitted to Mr. Deogracias B. Genito, Jr., Deputy Secretary General, Membership, NEU- CO, through e-mail address at deogracias.genito@deped.gov.ph, copy furnished the Regional Office through hrmodepedi11@gmail.com and ingrid.juanday@deped.gov.ph, not later than July 1, 2019.

For immediate dissemination and strict compliance.

By the Authority of the Regional Director:

ROAZPS/jg

Incl.: As stated
MEMORANDUM
OUF-2019-__

TO: ALL REGIONAL DIRECTORS
DIRECTOR IV, INFORMATION AND COMMUNICATIONS
TECHNOLOGY SERVICE (ICTS)
OFFICER-IN-CHARGE, OFFICE OF THE DIRECTOR IV, BUREAU
OF HUMAN RESOURCE AND ORGANIZATIONAL DEVELOPMENT

ATTENTION: CHIEFS, REGIONAL ADMINISTRATIVE AND FINANCE DIVISIONS,
AND CENTRAL OFFICE PERSONNEL DIVISION
HEADS, IMPLEMENTING UNIT SECONDARY SCHOOLS

FROM: ANNALYN A. SEVILLA
Undersecretary

SUBJECT: AUTOMATIC PAYROLL DEDUCTION SYSTEM (APDS) CODE FOR THE
DEPED NATIONAL EMPLOYEES UNION (NEU)

DATE: June 4, 2019

This is to furnish you with a copy of letter dated May 27, 2019 from this Office, addressed to and
confirmed by Atty. Domingo B. Alidon, National President, DepEd NEU, which approves the issuance
of APDS Code 2039 to the said entity, exclusively for the payment of union dues and mutual aid
contributions of DepEd NEU members, subject to the conditions stated therein.

Also attached is a copy of the recommendation of Atty. Revsee A. Escobedo, Assistant Secretary,
Officer-in-Charge, Officer of the Undersecretary for Field Operations, Human Resource – Employee
Welfare Division & Personnel Division, and Interim DepEd Employees Association Coordinating Office,
for the exemption of DepEd NEU from the collection of service fee charges for the remittances of its
payroll deduction, as approved by Secretary Leonor Magtolis Briones.

In view of the foregoing, the ICTS is directed to create the said APDS code in the payroll program in
favor of DepEd NEU and to facilitate the dissemination and use of that code by the payroll servicing
units in all DepEd regional offices, schools division offices, and implementing unit secondary schools,
if any, that use the FoxPro payroll program. Payroll servicing units that use a different payroll
program are directed to effect the creation and use of the aforesaid code. All concerned implementing
units are advised to accept billing statements from the DepEd NEU, with corresponding supporting
documents as stated in the attached letter dated May 27, 2019, the deductions in which will undergo
the verification process as stated in item no. 2 in the said letter prior to being integrated in the
payroll. Finally, it is noted that the remittance of these deductions shall not be subject to the
imposition of service fee, as previously noted.

Please be guided accordingly.

Sincerely,

Attachment: As stated.
Republic of the Philippines  
Department of Education  
Tanggapan ng PangalawangKalihim  
Office of the Undersecretary for Finance

May 27, 2019

ATTY. DOMINGO B. ALIDON  
National President  
DepEd National Employees Union (NEU)  
3/F Dormitory E Building, DepEd Complex  
Meralco Avenue, Pasig City

Dear Atty. Alidon,

This pertains to your requests for the following:

1. Issuance of an Automatic Payroll Deduction System (APDS) Code for the monthly salary deductions of DepEd NEU members' union dues and mutual aid contributions through check-off mechanism; and

2. Exemption of DepEd NEU from the imposition of Service Fees with regard to the utilization of the Department’s APDS Program nationwide.

On the basis of the additional documents you submitted and the legal opinion from the Civil Service Commission (CSC) dated March 6, 2014, copy attached for your reference, this Office hereby issues **APDS Code No. 2039** exclusively for the payment of union dues and mutual aid contributions of DepEd NEU members, subject to the following conditions:

1. The billing statement to be submitted to our Payroll Services Units (PSUs), representing payment of union dues and mutual aid contributions in the amount of One Hundred Fifty Pesos (P150.00) per DepEd NEU member shall be supported by completely filled out and duly signed Authorizations to Deduct (ATDs), indicating the amount, start, end, and purpose of deduction;

   The provision stated in Section 2, Article X-Fees, Dues, Fines, Other Payments and Disbursements of Union Funds of the DepEd NEU's adopted and ratified Constitutions and By-Laws dated December 12, 2018 stating that the deduction of monthly dues of DepEd members shall be collected through checkoff deduction **upon previous written authorization** of the concerned member may not be a sufficient basis of our PSUs to incorporate such deductions from their monthly salary.

2. Such salary deductions shall undergo the process of verification of the net take home pay (NTHP) specified in Annex “C” of Enclosure 3 of DepEd Order No. 18, s. 2018 before these are implemented. Due to the length of time needed to verify the total number of DepEd NEU members, DepEd NEU shall coordinate closely with the

3. Title of the DepEd Order (DO): Revised Guidelines on Accreditation/Re-Accreditation of Private Entities under the Automatic Payroll Deduction System (APDS) Program. DepEd NEU shall coordinate with the respective Payroll Services Units on the most efficient way to conduct the NTHP verification procedure for its members, in accordance with the DO.

2nd Floor, Rizal Building, DepEd Complex, Meralco Avenue, Pasig City 1600  
633-9342 - usec.financelpm@deped.gov.ph
concerned payroll servicing unit and DepEd Verifiers for the cut-off dates of the submission of billing statements with supporting ATDs, which will be the basis for verification and subsequent salary deduction;

3. The APDS Code is not transferrable, for sale, or for further assignment to any other organization/entity;

4. DepEd NEU shall submit to this Office on an annual basis (starting fiscal year 2020):
   a. Certificate of Good Standing from the Department of Labor and Employment and Civil Service Commission for the current year;
   b. Audited Financial Statements for the previous fiscal year;
   c. Updated set of Board of Directors/Officials and their bio data; and

5. DepEd NEU officials shall be solely responsible for any issue/complaint that may be raised on the matter.

As regards your request for exemption from SF Collections under the APDS Program, we wish to inform you that this has been approved by Secretary Leonor M. Briones, based on the recommendation of Atty. Revsee A. Escobedo, OIC-Undersecretary, Field Operations, Bureau of Human Resource and Organizational Development-Employee Welfare Division and Personnel Division and DepEd Employees Association Coordinating Office, in a Memorandum dated May 9, 2019, copy attached, for your ready reference.

In connection to this, kindly affix your signature below as your conformity to the abovementioned conditions, and return this letter to this Office, for records and monitoring purposes.

Thank you.

Sincerely yours,

ANNALYN M. SEVILLA
Undersecretary

CONFORME:

ATTY. DOMINGO B. ALIDON
National President
DepEd National Employees Union

End: As stated.
March 6, 2014

MR. BENJAMIN VALBUENA
President
Alliance of Concerned Teachers-NCR
ACT National
2nd Floor, Teachers Center
Minas cor. Dipolog Sta., Vaera
Quezon City 1128

Dear Mr. Valbuena:

This refers to your letter dated February 19, 2014, requesting for our legal opinion on whether DepED-NCR shall allow check-off from teachers' salaries union dues for the Alliance of Concerned Teachers-National Capital Region (ACT-NCR).

In pertinent portions of your letter, it reads:

"8. During the negotiation last Jan 13, 2014, DepED-NCR said that they cannot allow the check-off because of the RAT Plan, manpower is not enough. XXX

10. In the last negotiation, Feb. 12, 2014, Dir. Agustin suggested to adopt the check-off provision of DepED NEU/CNA and the check-off can be done after the conclusion of the CNA. But ACT-NCR contested the suggestion; we maintained our position that it is the right of the union to collect dues thru check-off system even if the CNA is not yet concluded. In the end, Dir. Agustin ordered the union to write a letter to ask the opinion of GSC if the union can collect even without the conclusion of CNA."

Sections 2 and 5 (a-f), Article XIII (Union Dues, Fees and Budget) of the Constitution and By-Laws (CBL) of ACT-NCR dated November 11, 2011 provide:

"Section 2. Every regular member shall pay regular monthly dues to the UNION to be determined by the General Assembly.

..."

"Section 5. Every member shall contribute to the Union such other amount as may be fixed by the General Assembly, after a thorough discussion of the resolution for the purpose. Special assessments to solicit union funding support may be proposed for the following:

*a. Mutual benefit fund
b. Campaign and negotiations fund
c. Welfare program..."
On the other hand, the Supreme Court, in the case of ABS-CBN Supervisors Employee Union vs. ABS-CBN Broadcasting Corp., 304 SCRA 489 (G.R. No. 106518, March 11, 1999), ruled on the issue of check-off as follows:

"It is also a process or device whereby the employer, on agreement with the union, recognized as the proper bargaining representative, or on prior authorization from its employees, deducts union dues from the latter's wages and remits them directly to the union." (Underscoring supplied)

Check-off being a recognized process and statutory right of an employees' organization, it is incumbent upon DepED-NCR to collect union dues from ACT-NCR members.

Please take note that the only condition mentioned by the Supreme Court in the above-cited case is prior authorization from its employees.

We hope you are enlightened on the matter you raised.

Very truly yours,

ALAN P. ALEGRÍA
Director IV
Personnel Relations Office

cc: Dr. Luz P. Almeda
Regional Director
Department of Education-NCR
Magsaysay St., Baguio City
Cagayan de Oro-Camiguin

Cell: 6391-299-3428/341-8800/740-0165
AcctNo: P2-21072000-0000
MEMORANDUM

FOR : LEONOR MAGTOLIS-BRIONES
Secretary

FROM : ATTY. REVSEE A. ESCOBEDO
OIC-Undersecretary
Field Operations, HR-EWD & PD, and DEACO

Subject : SUBMISSION OF FINANCIAL STATEMENT AND LIST
OF OFFICERS OF DEPED NEU

Date : 09 May 2019

This Office respectfully endorses the herein attached Certification of Election of the DepEd National Employees' Union National Officers and latest Financial Statement in compliance of the conditions agreed upon during the Execom deliberations, relative to their request for exemption from the Automatic Payroll Deduction System (APDS) Service Fee charges.

In view of the submission of said documents, it is recommended to approve their request for exemption and to instruct the Accounting Division to implement the same.

For your consideration and approval.

Thank you.
REPORT OF INDEPENDENT AUDITOR

ATTY. DOMINGO B. ALIDON
NATIONAL PRESIDENT
DEPED NATIONAL EMPLOYEES UNION
NATIONAL HEADQUARTERS
DORMITORY E BUILDING DEPED COMPLEX
MERALCO AVENUE, PASIG CITY

Report on the Audit of the Financial Statement:

Opinion

I have audited the financial statements of DEPED NATIONAL EMPLOYEES UNION, a Government Enterprise (Union), which comprise the statement of cash flows for the year then ended, the statement of financial position as of the year ended and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2017, and its financial performance and its cash flows for the year then ended in accordance with Philippine Financial Reporting Standards.

Basis for the Opinion

I conducted my audits in accordance with Philippine Standards on Auditing (PSA). My responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of this report. I am independent of the Company in accordance with the ethical requirements that are relevant to my audits of the financial statements in the Philippines, the Code of Ethics for Professional Accountants in the Philippines, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Except for the matters described in the preceding paragraph, I have determined the following:

A portion of Meetings and Conferences amounting to P 700,000 were not supported by receipts and disbursed using the petty cash fund, this was use for payment of Supplies for 1st Congress NEU.
Certified Public Accountant:

Responsibilities of Management for the Financial Statements

DEPED NATIONAL EMPLOYEES UNION, is responsible for the preparation and fair presentation of the financial statements in accordance with FPRK and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

To prepare the financial statements, DEPED NATIONAL EMPLOYEES UNION, is responsible for assessing the Union's ability to continue as a going concern, disclosing, if applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the union or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

My objectives is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that expresses my opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with PSA, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

* Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intimidation, or the override of internal control.

* Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Union’s internal control.

* Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

* Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditors’ report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. My conclusion is based on the audit evidence obtained up to the date of my auditors’ report. However, future events or conditions may cause the Union to cease to continue as a going concern.

CERTIFIED TRUE COPY:

[Signature]

[Name]

[Position]
Certified Public Accountant

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves their presentation.

In accordance with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.

Report on Other Legal and Regulatory Requirements

My audits are conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information for the year ended December 31, 2017 required by the Department of Labor and Employment is disclosed in Notes to the financial statements presented for purposes of additional analysis and is not a required part of the basic financial statements presented in accordance with PFRS. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fair and free of material error in relation to the basic financial statements taken as a whole.

JOEY M. GOROSPE
CERTIFIED PUBLIC ACCOUNTANT
PBC License No. 0162089
TIN No. 090-180-111
Board of Accountancy Accreditation No. 5209
Valid from December 31, 2019
BIR Accreditation No. 04-101602497-1-2017
Date Issued: April 17, 2017
Valid From: April 17, 2017
PWB No. 096056, City of Bacoor
Date Issued: January 08, 2018

MARCH 15, 2018

[Signature]

CERTIFIED TRUE COPY:

[Signature]
SECRETARY GUARDIAN, DEPARTMENT OF ACCOUNTANCY
STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of DEPED NATIONAL EMPLOYEES UNION is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein for the year ended December 31, 2017, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Union’s ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Union or to cease operations, or has no realistic alternative but to do so.

The National Board of Trustees is responsible in overseeing the Union’s financial reporting process.

The National Board of Trustees reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders or members.

Mr. JOEY M. GOROSPE, the independent auditor appointed by the National Executive Committee, has audited the statement of cash position of the union in accordance with Philippine Standards on Auditing, and in its report to the members, has expressed its opinion on the fairness of presentation upon completion of such audit.

ATTY. DOMINGO B. ALIDON
NATIONAL PRESIDENT
DEPED NEU

IRENE V. MILLO
NATIONAL TREASURER
DEPED NEU

ATTY. ARIZ D. CAWILAN
SECRETARY GENERAL
DEPED NEU NATIONAL AUDITOR

Signed this 15th day of March 2018
NOTES TO FINANCIAL REPORT

EXPLANATORY NOTES FOR 2017:

• The salaries incurred were paid for the four (4) encoders and Technical Assistants. The Honorarium was given to Executive Officers andSpeakers.

- SalariesPhp465,842.88
- Honorarium 259,502.00
- Total Php725,345.88

• Travel expenses are consisting of airfare and representation expense and other related expenses.

• Agency Fee was collected from non-union members.

• Meetings and conferences were computed as follows:
  - Quarterly Joint Meeting P 285,347.83
  - Monitoring of PSU and Master List of members per PSPOP 374,105.06
  - Other Meetings 1,262,705.54
  - Total 1,922,158.43

**Included in this amount is P 700,000 use to purchase supplies use in the 11th Congress NEU**

• The acquisition of service vehicle, Honda CRV was duly approved by a Board Resolution.

• Additional Computers and gadgets were purchased during the year which is likewise approved by the Board.

• Financial Assistance of Php 100,000 each were given to division offices of Sultan Kudarat, Region VI, and Region VIII.

• The total collection of registration fee as supported by official receipts:
  - 11th NEU Congress P 12,546,600.00

• The total expenses related to 11th NEU Congress amounting to P 10,613,829.86 was liquidated properly in accordance to accounting and auditing rules.

  - The breakdown was as follows:
    - Food P 5,433,625.82
    - Transportation 956,992.80
    - Miscellaneous 182,016.98
    - Supplies 214,246.26
    - Honorarium 2,042,600.00
    - Lodging 2,304,348.00
<table>
<thead>
<tr>
<th>Assets</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash-in bank- Landbank of the Philippines</td>
<td>10,718,468.18</td>
<td>10,946,973.82</td>
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<tr>
<td>Service vehicle</td>
<td>1,765,600.00</td>
<td></td>
</tr>
<tr>
<td>Computer and communication equipment</td>
<td>458,619.00</td>
<td>754,799.00</td>
</tr>
<tr>
<td>Total Assets</td>
<td>11,176,071.18</td>
<td>19,471,462.82</td>
</tr>
<tr>
<td>Union's Equity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Union's General Fund</td>
<td>11,176,071.18</td>
<td>19,471,462.82</td>
</tr>
<tr>
<td>Total Equity</td>
<td>11,176,071.18</td>
<td>19,471,462.82</td>
</tr>
</tbody>
</table>

CERTIFIED TRUE COPY:

[Signature]

[Name]

[Title]
Republic of the Philippines  
Department of Education  
National Employees Union  

Comparative Statement of Cash Position  
For the Year Ended December 31, 2016 and 2017  
In Philippine Peso

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash in Bank, Beginning Balance</td>
<td>635,836.38</td>
<td>10,716,456.16</td>
</tr>
</tbody>
</table>

**Add:** Cash Inflows:
- Registration Fee: 7,855,172.45  
- Union Dues: 10,124,700.00  
- Agency Fee: 76,000.00  
- Membership Fee:  
- Mutual Aid Fee:  
**Total Cash Inflow:** 20,422,278.89  

**Less:** Cash Outflows:
- Operating Expenditures:
  - Travel Expenses - Others: 821,468.68  
  - Payment of Salaries - Honorarium: 1,658,065.66  
  - DepED NEU Cluster Assembly on the K to 12 Seminar Workshop: 1,762,835.36  
  - Financial Assistance: 5,979,024.96  
  - Meeting and Conferences: 974,991.40  
  - Miscellaneous Expenses:  
- Capital Expenditures:
  - Acquisition of Service Vehicle:  
  - Acquisition of Computer and Communication Equipment: 1,769,650.00  
**Total Cash Outflow:** 9,790,096.80  

**Net Cashflows**
- Other Cash Inflows:  
- Interest Income from Savings Net of Tax: 16,446.15  
**Total Cash Available December 31, 2016 and 2017:** 10,716,456.16  

**Certified True Copy:**  
[Signature]

P.S. Cert: 59PRLICERAN44EU
EXPLANATORY NOTES FOR 2016:

- The acquisition of computer and communication equipment was approved through board resolution dated April 13, 2016, NBOT Resolution 01.

- Registration Fee was collected from the following events: DepEd NEU National Assembly and DepEd NEU Cluster assembly on the K to 12.

- The salaries amounting to Php166,294.80 represents the salary of Manny Belonia and Arthur Serrano from January to December 2016.

- The travel expenses amounting to Php27,433.80 consist of the following: Trafal, Honorarium, and Board & Lodging.

- Expenses in the 10th National Congress are composed of the following: Gasoline, Meals, Trafal Fee and Board & Lodging.
To whom it may concern:

This is to certify that the DepEd National Employees’ Union had conducted the election of the new DepEd-NEU National Executive Officers during its 11th National Congress on December 7, 2017 at the Teachers’ Camp, Baguio City, namely:

National President: ATTY. DOMINGO B. ALIDON
Vice President for Luzon: ROBERTO G. MACASIL, JR.
Vice President for Visayas: WIGBERTO D. BELIZAR, JR.
Vice President for Mindanao: ARTURO L. PORRAS
National Secretary General: EFREN LL. ALCERA
National P.R.O.: FIDEL E. SALOSAGCOL
National Auditor: ATTY. ARIZ W. CAWILAN
Sgt. at Arms: ENGR. ROLANDO Z. CARREON

This certification is issued this 4th day of April, 2019 upon the request of the DepEd Management in connection with the Automatic Payroll Deduction Code of DepEd-NEU.

Certified by:
ATTY. DOMINGO B. ALIDON
Secretary General, DepEd-NEU