

**[ DEPED MEMORANDUM NO. 108, S. 2002, June 24, 2002 ]**

**STRICT COMPLIANCE TO GUIDELINES FOR THE APPLICATION OF THE CHECKLESS PAYROLL SYSTEM AND AMENDMENTS**

1. For the information and guidance of all concerned, the following are amendments to DepEd Memorandum No. 27, series 2002:

a. All DepEd teachers and employees located within 1st and 2nd Class municipalities are required to avail of the direct (ATM) payroll system.

b. Exemption to ATM payroll system will be upon the recommendation of the Regional Director for reason of impracticability or absence of banks in the area.

c. In areas where ATM services are not available, banks may be chosen to provide direct payroll thru passbook. Private banks chosen for this purpose may serve as conduits of the depository bank of the region. This must be coordinated with the Office of the Undersecretary for Administration and Finance.

d. The following is an updated list of banks that have an existing MOA with DepEd to provide ATM payroll.

- Land Bank of the Philippines
- Development Bank of the Philippines
- Philippine Veterans Bank
- 1st e-Bank (as conduit of LBP)

2. Reports are being received regarding the loose compliance of the guidelines in DepEd Memorandum No. 27, s. 2002 particularly on the deadlines related to the processing of payroll (Section III) and funding (Section IV).

These guidelines must strictly be followed to avoid unnecessary delays in the implementation of direct (ATM) payroll.

3. To enable the IBM-Accounting Unit to effectively and accurately audit the ATM preliminary payroll, submission of the updated Monthly Report of Service (F-7) to the Payroll Services Division and to IBM Accounting Unit must be on or before the 5th of the following month is hereby reiterated. This is also in consonance with DepEd Memorandum No. 27, s. 2002.

No submission of the required F-7 may result in:

- the delay of the processing of payroll