

Department of Transportation and Communications  
**PUNONGHIMPILAN TANOD BAYBAYIN NG PILIPINAS**  
(Headquarters Philippine Coast Guard)  
139 25<sup>th</sup> Street, Port Area  
1018 Manila

01 June 1999

CGAO

STANDARD OPERATING PROCEDURE)

NUMBER . . . . . 02)

**OPERATION OF PCG SAVINGS AND LOAN ASSOCIATION, INC.**

1. **PURPOSE:** This SOP shall prescribe the policies and procedures relative to the business operations of PCG Savings and Loan Association, Inc.

2. **SCOPE:** This SOP covers all active and prospective members of Association.

3. **OBJECTIVES:**

a) To prescribe guidelines, procedures and responsibilities in the operations of PCGSLAI.

4. **DEFINITION OF TERMS:**

**AFFINITY** – relationship by marriage.

**ASSOCIATION** – refers to Philippine Coast Guard Savings and Loan Association, Inc.

**BOARD OF TRUSTEES** – officers elected by members which have full power and authority over the management of the Association.

**CAPITAL CONTRIBUTION** – the amount of money value contributed by the members of the Association with expected rate of return.

**CONSANGUINITY** – relationship by descent from the same ancestor; blood relationship.

**FEES** – sum of the money paid by the member charged against loan services offered to the member, usually deducted from the amount of loan or salary.

**FRUGALITY** – the character towards economy; not wasteful, spending freely or unnecessary; the tendency towards thriftiness.

**GENERAL MANGER** – is a person who manages and controls the properties, interest, business and affairs of the Association.

**INDUSTRY** – constant diligence in or application to work.

**INTEREST** – a share of the member on the profits of the Association as a return of capital contributed.

**LOANABLE VALUE** – sum of the money that can be borrowed from the association without deducting advance interest and processing fee.

**LOAN RELEASES** – is the actual receipt of the money by the member representing amount of money borrowed.

**PROSPECTIVE MEMBERS** – are potential members who have not yet applied for membership in the Association.

**REPAYMENT** – sum of the money as pay back on the amount of loan.

**SALARY LOAN** – is loan services offered by the Association to support financial needs of the members and pay back in installment through monthly salary deduction.

**SAVINGS DEPOSIT** – sum of the money placed on the Association for safekeeping with minimal rate of return in accordance with rules and regulations.

**SECURITIES** – any evidence of debt or ownership; especially a stock certificate or bond.

5. **POLICIES:**

a. The PCG Savings and Loan Association, Inc. is operated to perform the following missions:

1) Encourage industry, frugality and accumulation of savings among the members.

2) Extend loans to members.

3) Make investments in the securities of productive enterprise or in securities of the Government or any of its political subdivisions, instrumentalities or corporations.

4) Exercised and execute all the powers, prerogative enterprise or in securities of the Government or any of its political subdivisions, instrumentalities or corporations.

b) The following shall be eligible for membership in the Association:

1.) **Regular Members**

a) Officers and Enlisted Personnel on active duty and permanent/casual civilian employees of the PCG.

b) Retired Officers, Enlisted Personnel and Civilian personnel of PCG.

c) Immediate members of the families (up to the second degree of consanguinity or affinity) of those falling under letters "a" and "b" of this sub-paragraph.

2) **Honorary Members** – Regular employees of the Association.

c) Every new member shall pay the amount of One Hundred Pesos (P100.00) as membership fee.

d) The first P 1,000.00 contributed by the members shall be treated as capital contribution, and all amount in excess of the first P1,000.00 shall be treated as additional contribution or savings deposit, at the option of the member. Maximum capital contribution is P 50,000.00.

e) Capital contribution shall earn dividend of 21% per annum declared semi-annually, while savings deposit shall earn interest at such rates as may be set by the Board of Trustees, subject to existing rules and regulations.

f) Salary Loan equivalent to a maximum of Four (4) months basic pay may be granted, subject to compliance of documentary requirements.

g) Salary loan will be charged with advance interest of 14.5% per annum and processing fee equivalent to 2% of loanable value.

h) Non-withdrawable capital contribution is P 1,000.00. Any excess amount may be withdrawn anytime during business hours.

i) Repayment period is twelve (12) months through monthly salary deduction. Repayment will start on the 3<sup>rd</sup> month after loan releases.

6. **TASKS:**

a) CO, Headquarters Commandant - shall provide office space and assistance for the success operation of the Association.

b) CG-1 shall provide One (1) Officer to act as General Manager and two (2) other personnel to act on clerical jobs.

c) CG-6 shall provide funds to support the initial requirements of the office.

d) CG-4 shall cause the immediate procurement of the initial office requirements.

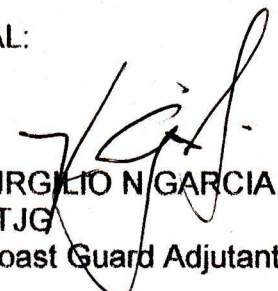
e) CO, Finance Center shall collect membership fee and capital contribution through salary deduction upon approval of application for membership. Likewise collect repayment of loans through salary deduction after presentation of authority to deduct signed by the borrower.

7. **EFFECTIVITY:**

This SOP takes effect upon publication.

BY COMMAND OF REAR ADMIRAL DE LEON:

OFFICIAL:

  
VIRGLIO N GARCIA JR  
LTJG PN  
Coast Guard Adjutant

ELPIDIO B PADAMA  
CAPT PN(GSC)  
Acting Chief of Staff, PCG