



PAMBANSANG PUNONGHIMPILAN TANOD BAYBAYIN NG PILIPINAS
(Headquarters Philippine Coast Guard)
139 25th Street, Port Area
1018 Manila

NHQ-PCG/CGFS

03 February 2025

**STANDING OPERATING PROCEDURE
NUMBER 03-25**

**POLICIES, GUIDELINES AND PROCEDURES IN THE IMPLEMENTATION OF LOAN
MONITORING SYSTEM FOR THE LOAN APPLICATION OF PCG PERSONNEL**

1. AUTHORITY

Republic Act No. 9993, entitled "Philippine Coast Guard Law of 2009" and its Implementing Rules and Regulations (IRR) dated 27 July 2009.

2. REFERENCES

- A. Republic Act No. 11032, entitled "Ease of Doing Business and Efficient Government Service Delivery Act of 2018" dated 28 May 2018;
- B. Section 27 of the Republic Act No. 8792, entitled "Electronic Commerce Act of 2000" dated 14 June 2000;
- C. Executive Order No. 170, entitled "Adoption of Digital Payments for Government Disbursements and Collections" dated 12 May 2022; and
- D. NHQ-PCG/CGFS Circular No. 20-24, entitled "Revised Guidelines on the Standard Loan Application for PCG Personnel" dated 29 August 2024.

3. BACKGROUND

The Philippine Coast Guard (PCG) through the Coast Guard Finance Service (CGFS) is committed to improving the well-being and financial management of all PCG personnel. Financial assistance particularly through private financial institutions plays a crucial role in supporting the personal and professional needs of PCG personnel.

To enhance efficiency and centralize the loan monitoring, the PCG aims to implement Loan Monitoring System (LMS). The LMS will serve as an innovative platform to streamline the loan application of PCG personnel and monitoring process of Coast Guard Finance Service, fostering better financial oversight and reducing processing time.

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4. PURPOSE

This Standing Operating Procedure (SOP) aims to provide clear guidelines and procedures in the loan endorsement, and ensure efficient and accurate recording and monitoring of loan application of PCG personnel.

5. SCOPE

This SOP covers all loan applications of PCG personnel as well as the loan endorsement and monitoring process by the Coast Guard Finance Service (CGFS) and Coast Guard Finance Service Units (CGFSU).

6. OBJECTIVES

This SOP aims to streamline the loan application process of PCG personnel and automate the Loan Monitoring System (LMS) of CGFS. Further, this SOP aims to standardize loan procedures, provide real-time information, and decentralized loan application process to different CGFSU.

7. DEFINITION OF TERMS

For the purpose of this SOP, the following terms are defined as follows:

- A. **Authorized Deductions** – those 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 as stated in the Government Appropriations Act of the current year.
- B. **Borrower** – a person who receives a sum of money from Financial Institutions and Associations with an agreement to pay it back within a specific period of time.
- C. **Centralized Payroll Management Unit (CPMU)** – support Unit of the CGFS responsible for the timely processing and payment of pay and allowances and other benefits of all PCG Uniformed and Non-Uniformed personnel.
- D. **Coast Guard Finance Service Unit (CGFSU)** – operating Unit of the CGFS responsible for the validation of loan application of PCG personnel.
- E. **Co-maker** – a person who formally and voluntarily accepts the responsibility for the payment of loan upon failure of the principal borrower to pay same.
- F. **Collateral Allowances** – are monetary benefits given apart from the regular pay and allowances such as but not limited to Hazardous Duty Pay, Flying Pay, Sea Duty Pay, Instructor's Duty Pay and Magna Carta.



- G. **Financial Institutions and Associations (FIAs)** – entities created and authorized by the law to grant insurance and loan facilities as well as other services for the benefit of PCG personnel and pensioners, e.g. SLAI, Cooperative, Lending/Loaning Associations, Insurance providers, etc.
- H. **Mandatory Deduction** – are those deductions such as but not limited to BIR contribution, PhilHealth, Pag-IBIG, GSIS, and MBI (Basic Premium and Special Group Term Insurance).
- I. **Net Take Home Pay (NTHP)** – is the sum of all earnings excluding subsistence allowance, collateral allowances and authorized loan deductions and mandatory deductions.
- J. **Subsistence Allowance** – allowance intended to defray the cost of daily regular meals by each PCG personnel amounting to One Hundred Fifty Pesos (Php 150.00) per day.

8. POLICIES

- A. Loan application of PCG personnel shall be in adherence to the NHQ-PCG/CGFS Circular No. 20-24 “Revised Guidelines on the Standard Loan Application for PCG personnel” dated 29 August 2024.
- B. Collateral allowances and subsistence allowance shall not be included in the computation of the loanable amount.
- C. All loan applications of PCG personnel shall be coursed through the LMS and non-compliance shall mean non-implementation of automatic salary loan deduction to concerned PCG personnel.
- D. All CGFSU's Commanding Officers shall be the only authorized account User.
- E. The designated encoder shall be the only authorized personnel to access and utilize the LMS.
- F. Any violation or abuse in the utilization on the LMS shall be dealt with accordingly.

9. GUIDELINES

- A. PCG personnel applying for loan shall ensure that all documents are properly complied and submitted as required by the accredited FIAs.

- B. PCG personnel shall submit the following documents to HCGFS/CGFSU:
- i. Loan application form;
 - ii. Certificate of Non-Pending Case from CGIG-IAS;
 - iii. Signed loan computation from FIs;
 - iv. Latest copy of payslip; and
 - v. Authorization for Payroll Deduction.
- C. The loan application of PCG personnel will only be processed and encoded once the above-mentioned requirements are complete.
- D. The loan application will only be approved and signed if it satisfies all the necessary loan requirements.
- E. Duly signed and validated loan application will be endorsed to the FI's authorized representatives.

10. PROCEDURES

- A. Duty Office Watch of CGFS/CGFSU shall receive the loan application and check the completeness of all the documentary requirements;
- B. Authorized encoder of CGFS/CGFSU shall evaluate the documentary requirements and verify the eligibility of personnel based on the Net Take Home Pay (NTHP) and loan computation;
- C. Authorized encoder of CGFS/CGFSU shall encode the loan application to the Coast Guard Finance Service Loan Monitoring System (CGFSLMS) Database and validate the accuracy of the details and loan computations;
- D. Commander, CGFS / Commanding Officer, CGFSU / Authorized Signatories shall approve and sign the Loan Application Form; and
- E. Duty Office Watch of CGFS/CGFSU shall forward the approved or disapproved Loan Application Form to FIAs authorized liaison.

11. RESPONSIBILITIES

- A. **Office Watch of CGFS/CGFSU**
- i. Shall receive the Loan Application Form with complete attachments such as Certificate of Non-Pending Case, printed ePayslip and other supporting documents;
 - ii. Shall forward the Loan Application Form with complete attachments to CPMU/CGFSU Loan Encoder; and
 - iii. Shall forward the processed Loan Application Form to FIAs authorized liaison.

B. Authorized Encoder of CGFS/CGFSU

- i. Shall ensure the correctness and completeness of data upon encoding in the CGFSLMS database; and
- ii. Shall encode the loan application, and inform the authorized signatory concerning an emergency loan application below NTHP.

C. C, CGFS / CO, CGFSU / Authorized Officers

Shall approve/disapprove and sign the PCG personnel Loan Application Form.

12. RESCISSION CLAUSE

All SOPs and provisions of existing regulations that are inconsistent with the provisions of this SOP are hereby amended or rescinded as the case may be.

13. EFFECTIVITY

This SOP shall take effect fifteen (15) days after publication.

BY COMMAND OF ADMIRAL GAVAN PCG:

OFFICIAL:

HOSTILLO ARTURO E CORNELIO
RADM PCG
Chief of Coast Guard Staff


JAYSIEBELL B FERRER
CDR PCG
Coast Guard Adjutant

Annex A – Process Flow of the Loan Application approval

Process Flow of the Loan Application approval

| ACTIVITY | PERSON / BRANCH RESPONSIBLE | DETAILS/FUNCTIONS | INTERFACE |
|--|---|--|--------------------------------|
| START | | | |
| Receiving of loan application | - Duty Office Watch of CGFS/CGFSU | - shall receive the loan application and check the completeness of all the documentary requirements | - Loan Application Form. |
| Evaluation of the Loan Application | - Authorized Encoder of CGFS/CGFSU | - Shall evaluate the documentary requirements and verify the eligibility of personnel based on the Net Take Home Pay (NTHP) and loan computation | - Loan Application Form. |
| Encoding of Loan Application to CGFSLMS | - Authorized Encoder of CGFS/CGFSU | - shall encode the loan application to the Coast Guard Finance Service Loan Monitoring System (CGFSLMS) Database and validate the accuracy of the details and loan computations. | - Loan Application Form. |
| Approval and signing of loan Application | - Commander, CGFS/ Commanding Officer, CGFSU/ Authorized Signatories | - shall approve and sign the Loan Application Form | - Loan Application Form. |
| Duty Office Watch of CGFS/CGFSU | - CGFS / CGFSU Office Watch | - shall forward the approved or disapproved Loan Application Form to FIAs authorized liaison | - Loan Application Form. |
| END | | | |