

**CODE OF CONDUCT AND EMPLOYEE DISCIPLINE
(Chapter 9 of Admin Manual)**

A. STATEMENT OF POLICY

It is the policy of LBP Leasing Corporation to ensure the maintenance of administrative discipline among its officers and employees based on the principle that discipline is fundamental to its success as an organization and as a business concern. The highest interests of society and of the individuals demand that everybody in the Corporation should do his share in the maintenance of discipline.

The Corporation shall adopt policies and procedures concerning disciplinary cases based on pertinent and applicable issuances, rules and regulations.

B. CLASSIFICATION OF OFFENSES AND SCALE OF PENALTIES

Administrative offenses with corresponding penalties are classified into grave, less grave or light, depending on their gravity or depravity and effects on the service:

CATEGORY	NO. OF OFFENSE	PENALTY
Grave Offenses A	1 st Offense	Dismissal
Grave Offenses B	1 st Offense	Suspension of 6 mos. & 1 day to 1 year
	2 nd Offense	Dismissal
Grave Offense C	NA	Demotion or Diminution in Pay
Less Grave Offenses A	1 st Offense	Suspension of 1 mo. & 1 day to 6 mos.
	2 nd Offense	Dismissal
Less Grave Offenses B	1 st Offense	Suspension of 1 mo. & 1 day to 6 mos.
	2 nd Offense	Suspension of 6 mos. & 1 day to 1 year
	3 rd Offense	Dismissal
Light Offenses	1 st Offense	Reprimand

	2 nd Offense	Suspension of 1 day to 30 days
	3 rd Offense	Dismissal

C. GRAVE OFFENSES A

1. Serious Dishonesty;
2. Gross Neglect of Duty;
3. Grave Misconduct;
4. Being Notoriously Undesirable;
5. Conviction of a crime involving moral turpitude;
6. Falsification of official documents;
7. Physical or mental incapacity or disability due to immoral or vicious habits;
8. Receiving for personal use of a fee, gift or other valuable thing in the course of official duties or in connection therewith when such fee, gift or other valuable thing is given by any person in the hope or expectation of receiving a favor or better treatment than that accorded to other persons, or committing acts punishable under the anti-graft laws;
9. Contracting loans of money or other property from persons with whom the office of the employee has business relations;
10. Soliciting or accepting directly or indirectly, any gift, gratuity, favor, entertainment, loan or anything of monetary value which in the course of his/her official duties or in connection with any operation being regulated by, or any transaction which may be affected by the functions of his/her office. The propriety or impropriety of the foregoing shall be determined by its value, kinship, or relationship between giver and receiver and the motivation. A thing of monetary value is one which is evidently or manifestly excessive by its very nature;
11. Nepotism; and
12. Disloyalty to the Corporation, the Parent Company and the Government of the Philippines.

D. GRAVE OFFENSES B

1. Less serious dishonesty;
2. Oppression;
3. Disgraceful and immoral conduct;
4. Frequent unauthorized absences, or tardiness in reporting for duty, loafing from duty during regular office hours;
5. Refusal to perform official duty;
6. Gross Insubordination;
7. Conduct prejudicial to the best interest of the service;
8. Directly or indirectly having financial and material interest in any transaction requiring the approval of his/her office. Financial and material interest is defined as pecuniary or proprietary interest by which a person will gain or lose something;
9. Owning, controlling, managing or accepting employment as officer, employee, consultant, counsel, broker, agent, trustee, or nominee in any private enterprise regulated, supervised or licensed by his/her office, unless expressly allowed by law;
10. Disclosing or misusing confidential or classified information officially known to him/her by reason of his/her office and not made available to the public, to further his/her private interests or give undue advantage to anyone, or to prejudice the public interest;
11. Obtaining or using any statement filed under the Code of Conduct and Ethical Standards for Public Officials and Employees for any purpose contrary to morals or public policy or any commercial purpose other than by news and communications media for dissemination to the general public; and
12. Recommending any person to any position in a private enterprise which has a regular or pending official transaction with his/her office, unless such recommendation or referral is mandated by (1) law, or (2) international agreements, commitment and obligation, or as part of the function of his/her office.

E. GRAVE OFFENSE C

1. Inefficiency and incompetence in the performance of official duties;

F. LESS GRAVE OFFENSES A

1. Simple Neglect of Duty;
2. Simple Misconduct;
3. Discourtesy in the course of official duties;
4. Violation of existing rules and regulations of the Corporation of serious nature;
5. Insubordination;
6. Habitual Drunkenness;
7. Unfair discrimination in rendering service due to party affiliation or preference;
8. Failure to file sworn statements of assets , liabilities and net worth, and disclosure of business interest and financial connections including those of their spouses and unmarried children under eighteen (18) years of age living in their households;
9. Failure to resign from his/her position in the in any business enterprise within thirty (30) days from assumption of office when conflict of interest arises, Provided, however, that for those who are already in the service and conflict of interest arises, the official or employee must either resign or divest himself/herself of said interest within the period hereinabove provided, reckoned from the date when the conflict of interest had arisen; and

G. LESS GRAVE OFFENSES B

1. Simple Dishonesty

H. LIGHT OFFENSES

1. Simple discourtesy in the course of official duties;
2. Improper or unauthorized solicitation of contributions from subordinate employees;
3. Violation of reasonable office rules and regulations;
4. Frequent unauthorized tardiness (Habitual Tardiness);
5. Gambling prohibited by law;
6. Refusal to render overtime service;

7. Disgraceful, immoral or dishonest conduct prior to entering the service;
8. Borrowing money by superior officers from subordinates ;
9. Wilful failure to pay just debts or wilful failure to pay taxes due to the government;

The term "just debts" shall apply only to:

- a. Claims adjudicated by a court of law, or
 - b. Claims the existence and justness of which are admitted by the debtor.
10. Lobbying for personal interest or gain in legislative halls and offices without authority;
 11. Promoting the sale of tickets in behalf of private enterprises that are not intended for charitable or public welfare purposes and even in the latter cases, if there is no prior authority;
 12. Failure to act promptly on letters and request within fifteen (15) working days from receipt , except as may be justified by circumstances surrounding the delay;
 13. Failure to process documents and complete action on documents and papers within a reasonable time from preparation thereof;
 14. Failure to attend to anyone who wants to avail himself/herself of the services of the office, or act promptly and expeditiously on transactions;
 15. Engaging in private practice of his/her profession unless authorized by the rules and regulations of the Corporation, provided that such practice will not conflict with his/her official functions; and
 16. Pursuit of private business, vocation or profession without the permission required by the rules and regulations of the Corporation.

I. PENALTY OF FINE

1. The disciplinary authority may allow payment of fine in place of suspension if any of the following circumstances are present:

- a. When the employee is actually discharging frontline functions or directly dealing with the clients and the personnel complement of the office is insufficient to perform such function; and
 - b. When the employee committed the offense without utilizing or abusing the powers of his/her position or office.
2. The payment of penalty of fine in lieu of suspension shall be available in Offenses where the penalty imposed is for six (6) months or less at the ratio of one (1) day of suspension from the service to one (1) day fine; Provided, that in Grave Offense where the penalty imposed is six (6) months and one (1) day suspension if there is the presence of mitigating circumstance, the conversion shall only apply to the suspension of six (6) months. Nonetheless, the remaining one (1) day suspension is deemed included therein.
3. The maximum period to pay the fine shall not exceed one (1) year from the time the decision/resolution becomes final and executory. The conversion of suspension into fine is final and executory and, therefore, not subject of appeal or any other similar relief.
4. The failure of the respondent to pay the fine or part thereof shall cause the reversion to the original penalty of suspension. As such, respondent shall serve the original penalty of suspension imposed, irrespective of the amount he/she has already paid.
5. Fine may be paid in equal monthly instalments subject to the following schedule of payment prescribed below:
 - a. Fine equivalent to one (1) month salary shall be paid within two (2) months;
 - b. Fine equivalent to two (2) months' salary shall be paid within four (4) months;
 - c. Fine equivalent to three (3) months' salary shall be paid within six (6) months;
 - d. Fine equivalent to four (4) months' salary shall be paid within eight (8) months;
 - e. Fine equivalent to five (5) months' salary shall be paid within ten (10) months; and
 - f. Fine equivalent to six (6) months' salary shall be paid within twelve (12) months.
6. The fine shall be paid to the Corporation, computed on the basis of employee's salary at the time the decision becomes final and executory.

J. DISCIPLINARY PROCESS

1. INVESTIGATING COMMITTEE

An investigating committee shall be created by the Board of Directors, upon the recommendation of CSG thru the President & CEO, to conduct a thorough investigation on complaints of punishable offenses against an employee and submit its findings and recommendations to proper authorities. The composition of the investigating committee which may include Members of the Board and/or officers and employees of the Corporation shall be at the sole discretion of the Board.

2. REQUIREMENT BEFORE IMPOSITION OF PENALTY

No penalty shall be imposed against an employee without first complying with the due process requirements of applicable laws, rules and regulations.

3. IMPOSITION OF PENALTIES

The power to impose penalties to an employee found guilty of punishable offenses shall be as follows:

- a. Board of Directors – Offenses punishable by dismissal from service and by suspension
- b. President – Offenses punishable by penalties lighter than the above

4. EXECUTION OF PENALTIES

CSG shall execute penalties imposed by appropriate authorities on erring employees.

K. DROPPING FROM THE ROLLS

Officers and employees who are either habitually absent or have unsatisfactory or poor performance or have shown to be physically and mentally unfit to perform their duties may be dropped from the rolls.

This mode of separation from the service for unauthorized absences or unsatisfactory or poor performance or physical or mental incapacity is non-disciplinary in nature and shall not result in the forfeiture of any benefit on the part of the officer or employee or in disqualification from reemployment in the Corporation or other government instrumentalities.

The written notice mentioned in the succeeding sections shall be signed by the person exercising immediate supervision over the officer or employee. However, the notice of separation shall be signed by the LLC President.

Dropping from the rolls shall be subject to the following procedures:

1. ABSENCE WITHOUT APPROVED LEAVE

- a. An officer or employee who is continuously absent without official leave (AWOL) for at least thirty (30) working days shall be separated from the service or dropped from the rolls **without prior notice**. He/She shall, however, be informed of his/her separation not later than five (5) days from its effectivity which shall be sent to the address appearing on his/her 201 files or to his/her last known address;
- b. If the number of unauthorized absences incurred is less than thirty (30) working days, a written Return-to-Work order shall be served on the officer or employee at his/her last known address on record. Failure on his/her part to report to work within the period stated in the order shall be a valid ground to drop him/her from the rolls.
- c. If it is clear under the obtaining circumstances that the officer or employee concerned, has established a scheme to circumvent the rule by incurring substantial absences though less than thirty (30) working days, three (3) times in a semester, such that a pattern is already apparent, dropping from the rolls **without notice** may likewise be justified.

2. UNSATISFACTORY OR POOR PERFORMANCE

- a. An officer or employee who is given two (2) consecutive unsatisfactory ratings may be dropped from the rolls **after due notice**. Notice shall mean that the officer or employee concerned is informed in writing of his/her unsatisfactory performance for a semester and is sufficiently warned that a succeeding unsatisfactory performance shall warrant his/her separation from the service. Such notice shall be given not later than thirty (30) days from the end of the semester and shall contain sufficient information which shall enable the official or employee to prepare an explanation.

- b. An officer or employee, who for one evaluation period is rated poor in performance, may be dropped from the rolls ***after due notice***. Due notice shall mean that the officer or employees is informed in writing of the status of his/her performance not later than the fourth (4th) month of that rating period with sufficient warning that failure to improve his/her performance within the remaining period of the semester shall warrant his/her separation from the service. Such notice shall also contain sufficient information which shall enable the official or employee to prepare an explanation.

3. PHYSICALLY UNFIT

- a. An officer or employee who is continuously absent for more than one (1) year by reason of illness may be declared physically unfit to perform his/her duties and the LLC President in the exercise of his/her sound judgment may consequently drop him/her from the rolls.
- b. An officer or employee who is intermittently absent by reason of illness for at least two hundred sixty (260) working days during a twenty four (24) – month period may also be declared physically unfit by the LLC President.
- c. An officer or employee who is behaving abnormally and manifests continuing mental disorder and incapacity to work as reported by his/her co-workers or immediate supervisor and confirmed by a competent physician, may likewise be dropped from the rolls.
- d. For the purpose of the three (3) preceding paragraphs, notice shall be given to the officer or employee concerned containing a brief statement of the nature of his/her incapacity to work.