

February 15, 2024

MEMORANDUM ORDER

No. 88

Series of 2024

**SUBJECT : GUIDELINES ON THE GRANT OF CASH ADVANCES FOR
PETTY CASH, OPERATING EXPENSES AND SPECIAL PURPOSES.**

I. INTRODUCTION

Government units with regional field/satellite offices without a complete set of books of accounts may be granted cash advances for the maintenance and other operating expenses or authorized expenses to finance their operation through their designated or appointed disbursing officer.

Majority of the human resources of BPI were assigned at the regional field/satellite offices of BPI outside the National Capital Region. Those offices do not maintain a complete set of books of accounts, hence operating expenses and other authorized expenses of their respective offices shall be released through cash advance as prescribed under Section 20 of Government Accounting Manual Volume (GAM) I s. 2016.

II. SCOPE

This shall cover BPI Central Office Petty Cash Custodian, NCRDPS Centers, NSQCS regional field satellite offices, NPQSD regional field offices and SPAL Satellites with designated disbursing officers.

III. DEFINITION OF TERMS

Petty Cash Custodian (PCC) – duly authorized permanent employee responsible for the payment of petty or miscellaneous expenses, which cannot be conveniently paid through checks.

Special Disbursing Officer (SDO) – duly authorized permanent employee responsible and accountable for the payment of current MOOE and other authorized expenditures of the operating field/units.

Cash Advances for Operating Expenses – advances granted to accountable officers for the payment of current operating expenses of the operating/field units not maintaining complete set of books of accounts.

Cash Advance for Specific Purpose/Time-Bound Undertaking – advances granted to accountable officers and employees for a special purpose/time-bound undertakings to be liquidated within a specified period.

Cash Advance for Petty Operating Expenses - The Petty Cash Fund (PCF) shall be sufficient for the recurring petty operating expenses of the agency for one month. It shall be maintained using the Imprest System. All replenishments shall be directly charged to the expense account and at all times, the PCF shall be equal to the total cash on hand and the unreplenished expenses. The PCF shall be replenished as soon as disbursements reach at least 75% or as needed.

IV. POLICIES

IV.A The following are the accounting policies regarding cash advance for Petty Cash Fund:

IV.A.1 The Fund shall be kept separately from the regular cash advances/collections and shall not be used for payment of regular expenses such as rentals, subscriptions, light and water bills, purchase of supplies and materials for stock purposes, and the like. Payments out of PCF, which shall be made through a Petty Cash Voucher (PCV) (Appendix 48), should be allowed only for amounts not to exceed P15,000 for each transaction, except when a higher amount is allowed by law and/or specific authority by the COA. Splitting of transactions to avoid exceeding the ceiling shall not be allowed. All disbursements out of PCF shall be covered by duly accomplished and approved PCV supported by cash invoices, ORs or other evidence of disbursements;

IV.A.2 The unused balance of the PCF shall not be closed/refunded at the end of the year. The fund shall be closed only upon termination, separation, retirement or dismissal of the Petty Cash Fund Custodian (PCFC), who in turn shall refund any balance to close his/her cash accountability; and

IV.A.3 At the end of the year, the PCFC shall submit to the Accounting Division/Unit all unreplenished Petty Cash Vouchers (PCVs) for recording in the books of accounts.

IV.B The following are the accounting policies regarding cash advance for operating expenses and special purpose:

IV.B.1 No cash advance shall be given unless for a legally authorized specific purpose;

IV.B.2 A cash advance shall be reported on and liquidated as soon as the purpose for which it was given has been served;

IV.B.3 No additional cash advance shall be allowed to any official or employee unless the previous cash advance given to him/her is first settled/liquidated or a proper accounting thereof is made;

IV.B.4 Except for cash advance for official travel, no officer or employee shall be granted cash advance unless he/she is properly bonded in accordance with existing laws or regulations. The amount of cash advance which may be granted shall not exceed the maximum cash accountability covered by his/her bond;

IV.B.5 Only permanently appointed officials shall be designated as disbursing officers;

IV.B.6 Only duly appointed or designated disbursing officer may perform disbursing functions. Officers and employees who are given cash advances for official travel need not be designated as Disbursing Officers;

IV.B.7 Transfer of cash advance from one accountable officer to another shall not be allowed; and

IV.B.8 The cash advance shall be used solely for specific legal purpose for which it was granted. Under no circumstance shall it be used for encashment of checks or for liquidation of a previous cash advance.

The specific rules and regulations on the granting, utilization and liquidation of cash advances are provided for under COA Circular No. 97-002 dated February 10, 1997, as amended by COA Circular No. 2006-005 dated July 13, 2006.

V. IMPLEMENTING PROCEDURES

The regional field/satellite offices with designated SDO shall facilitate and responsible for the following:

V.1 Maintains checking accounts with Authorized Government Depository Bank (AGDB);

V.2 Pays the MOOE or the authorized requirements of the field/extension satellite offices, operating units in compliance to the accounting and auditing rules and regulations;

V.3 Implements adequate internal control to safeguard government funds against losses or misappropriations;

V.4 Ensures that all Accountable Officers are duly bonded;

V.5 Prepares and submits Liquidation Report together with the supporting documents on or before the 5th day of the following month at the end of the quarter.

VI. DOCUMENTARY REQUIREMENTS

VI.A Grant of Cash Advance

For all types of cash advances except for travel cash advances

VI.A.1 Obligation Request Status/ Budget Utilization Request Status (ORS/BURS);

VI.A.2 Disbursement Voucher;

VI.A.3 Approved Request letter;

VI.A.4 Approved one month estimates of petty expenses for PCF;

VI.A.5 Approved Work and Financial Plan;

VI.A.6 Memorandum Designation of SDO/PCC;

VI.A.7 Certification from the Chief Accountant that previous cash advances have been fully liquidated and accounted for in the books;

VI.A.6 COA received approved application for bond and/or Fidelity Bond

VI.B Liquidation

VI.B.1 For Petty Cash Fund

- Liquidation Report
- Summary of Petty Cash Voucher
- Report of Disbursement
- Petty Cash Replenishment Report
- Bills, receipts, sales invoices
- Certificate of inspection and acceptance
- Report of waste materials in case of replacement/repair
- Canvass from at least three suppliers for purchase involving 1,000 and above, except for purchases made while on official travel
- Summary/Abstract of Canvass
- Petty Cash Vouchers duly accomplished and signed
- OR in case of refund
- Such other supporting documents that may be required and/or required under the company policy depending on the nature of expenses.

VI.B.2 For Operating Expenses and Special Purposes

- Liquidation Report (LR)
- Cash in Bank Register (CBR)
- Report of Checks Issued (RCI)
- Report of Accountability for Accountable Forms (RAAF)
- Summary of Expenses per UACS Codes
- Original check for cancelled check
- Certified True Copy of check for cancelled checks (if audit is at regional offices)
- Duplicate copy of check
- Disbursement voucher together with supporting documents for each type of claims as per Memorandum Order no. 246 s. 2022.



Department of Agriculture
BUREAU OF PLANT INDUSTRY
692 San Andres St., Malate, Manila, Philippines
Email Address: info@buplant.da.gov.ph
Tel. No. (02) 8521-7650, (02) 8353-6976



VII. EFFECTIVITY

This memorandum order shall take effect immediately upon approval and shall supersede other issuances inconsistent herewith.

For your information and guidance.

Approved by:


GERALD GLENN F. PANGANIBAN, Ph.D.
Director 

Attachments:

Petty Cash Voucher

Liquidation Report

Cash in Bank Register

Report of Checks Issued

Report of Accountability for Accountable Forms

Summary of Expenses

References:

Government Accounting Manual Volume I and II s. 2016

COA Circular No. 97-002 dated February 10, 1997, as amended by COA Circular No. 2006-005 dated July 13, 2006.

COA Circular No. 2023-004 dated June 14, 2023

DBM Joint Circular No. 1 s. 1990

PETTY CASH VOUCHER		No. : _____
Entity Name : _____ Fund Cluster: _____		Date : _____
Payee/Office : _____ Address : _____		Responsibility Center Code: _____
<i>I. To be filled out upon request</i>		<i>II. To be filled out upon liquidation</i>
Particulars	Amount	
		Total Amount Granted _____ Total Amount Paid per OR/Invoice No. _____ Amount Refunded/ (Reimbursed) _____
A <i>Requested by:</i> _____ Signature over Printed Name Name of Requestor <i>Approved by:</i> _____ Signature over Printed Name Name of Immediate Supervisor		C <input type="checkbox"/> <i>Received Refund</i> <input type="checkbox"/> <i>Reimbursement Paid</i> _____ Signature over Printed Name Petty Cash Custodian
B <i>Paid by:</i> _____ Signature over Printed Name Petty Cash Custodian <i>Cash Received by:</i> _____ Signature over Printed Name Payee Date: _____		D <input type="checkbox"/> <i>Liquidation Submitted</i> <input type="checkbox"/> <i>Reimbursement Received by:</i> _____ Signature over Printed Name Payee Date: _____

LIQUIDATION REPORT Period Covered _____		Serial No.: _____ Date: _____
Entity Name : _____ Fund Cluster : _____		Responsibility Center Code: _____
PARTICULARS	AMOUNT	
TOTAL AMOUNT SPENT		→
AMOUNT OF CASH ADVANCE PER DV NO. _____ DTD. _____		→
AMOUNT REFUNDED PER OR NO. _____ DTD. _____		→
AMOUNT TO BE REIMBURSED		→
A Certified: Correctness of the above data _____ Signature over Printed Name Claimant Date: _____	B Certified: Purpose of travel / cash advance duly accomplished _____ Signature over Printed Name Immediate Supervisor Date: _____	C Certified: Supporting documents complete and proper _____ Signature over Printed Name Head, Accounting Division Unit JEV No.: _____ Date: _____

Sheet No.: _____
Name of Disbursing Officer: _____
Station: _____
Bank : _____
Location: _____

[illegible]

Period Covered: _____

Entity Name: _____

Fund Cluster : _____

Bank Name/Account No.: _____

Report No.: _____

Sheet No.: _____

[illegible]

I hereby certify on my official oath that this Report of Checks Issued in _____ sheet(s) is a full, true and correct statement of all checks issued by me during the period stated above for which Check Nos. _____ to _____ inclusive, were actually issued by me in payment for obligations shown in the attached disbursement vouchers/payroll.

Name and Signature of Disbursing Officer/Cashier

Official Designation

Date _____

Fund Cluster :

I hereby certify that the foregoing is a true statement of all accountable forms received, issued and transferred by me during the period above stated and that the beginning and ending balances are correct.

Illustrative sample

SUMMARY OF EXPENSES

OFFICE:

FUND:

PERIOD:

	REFERENCE	ACCOUNT CODE	ACCOUNT TITLE	AMOUNT
CASH ADVANCE	ADA /CHECK NO.			XXXX
		5-02-01-010-00	TRAVELLING EXPENSES	XXXX
		5-02-11-990-00	OTHER PROFESSIONAL SERVICES	XXXX
		5-02-16-010-00	LABOR AND WAGES	XXXX
				XXXX
TOTAL EXPENSES				XXXX
BALANCE				XXXX