



MEMORANDUM ORDER

No. 02
Series of 2023

SUBJECT : GUIDELINES ON THE USE OF PETTY CASH FUND (PCF)

In the exigency of the service, Memorandum No. OD-MEMO-20-10-30 dated October 14, 2020 regarding Procedural Guidelines on the use of Petty Cash Fund (PCF), is hereby amended to read as follows:

1.0 OBJECTIVES

- 1.1 To provide a comprehensive reference in maintaining or recording simple financial transactions.
- 1.2 To establish and maintain harmonized system in managing the PCF.

2.0 SCOPE/COVERAGE

This guideline covers policies and procedures practiced by the Bureau for financial transactions involving the following:

- Requesting/Utilization of Cash Advance from PCF under Imprest System;
- Liquidation of Cash Advance from PCF;
- Replenishment of PCF; and
- Liquidation of PCF.

3.0 GENERAL GUIDELINES

- 3.1 The Bureau shall maintain a PCF of Twenty Thousand Pesos only (P20,000.00) sufficient for the recurring expenses of the agency. The PCF shall be composed of the actual cash and unliquidated petty cash vouchers.
- 3.2 A Petty Cash Fund Custodian shall be designated to administer the PCF and shall be properly bonded.
- 3.3 The maximum amount allowed per Petty Cash Voucher (PCV) is Fifteen Thousand Pesos only (P15,000.00). Splitting of transactions to avoid exceeding the ceiling shall not be allowed.
- 3.4 Temporary borrowing from the fund is absolutely prohibited.
- 3.5 All PCV payments shall be approved by the Immediate Supervisor or in his absence, the higher-ranking official.
- 3.6 The concerned personnel should submit complete and duly accomplished supporting documents when requesting/liquidating cash advances from PCF.

- 3.7** The replenishment of cash advances for the PCF should be made when the disbursements reach at least 75%, or as the need requires and by submitting a replenishment voucher with all supporting documents.
- 3.8** The requesting personnel shall submit the complete requirements to liquidate the petty cash vouchers **within three (3) working days** from the date of the release fund.
- 3.9** Failure to liquidate his cash advance within the prescribed period shall also constitute a valid cause for withholding the salary of the requesting personnel. *(COA Circular No. 97-002, item no. 5 dated February 10, 1997)*

4.0 PROCEDURES

4.1 Requesting/Utilization of Cash Advance from PCF

PROCEDURE	RESPONSIBLE PERSON
1. Accomplish Box I columns 'Particulars' and 'Amount' and Box A "Requested by" portion of the PCV.	Requesting Personnel
2. Signs Box A "Approved by" portion of the PCV and returns to Requesting Personnel.	Immediate Supervisor of the Requesting Personnel
3. Submit the required documents to the PCFC for the release of fund.	Requesting Personnel
4. Receives from the Requesting Personnel the PCV duly approved by the Director/Assistant Director.	Petty Cash Fund Custodian (Cashier)
5. Upon release of the petty cash, signs in Box B "Paid by" portion of the PCV.	Petty Cash Fund Custodian (Cashier)
6. Receives petty cash and signs in Box B "Cash Received by" portion of the PCV.	Requesting Personnel
7. Issues copy of the PCV to the Requesting Personnel.	Petty Cash Fund Custodian (Cashier)
8. Files the original of PCV awaiting liquidation.	Petty Cash Fund Custodian (Cashier)

4.2 Liquidation of Cash Advance from PCF

PROCEDURE	RESPONSIBLE PERSON
1. Receives from Requesting Personnel Copy of the PCV together with Supporting Documents (SDs).	Petty Cash Fund Custodian (Cashier)
2. Checks and reviews completeness of documents such as the date, amount and nature of expenses paid as shown in the SDs. <input type="checkbox"/> If incomplete, returns to Requesting Personnel for completion of needed SDs	Petty Cash Fund Custodian (Cashier)
3. If complete, retrieves the original of PCV from file and fills out Box II of the original and copy of PCVs.	Petty Cash Fund Custodian (Cashier)
4. Checks the appropriate boxes for Box C and affix signature.	Petty Cash Fund Custodian (Cashier)
5. Checks and fill out the appropriate boxes for Box D upon submission of necessary SDs and receipt or reimbursement of cash, if any, and affix signature.	Requesting Personnel

PROCEDURE	RESPONSIBLE PERSON
6. Returns Copy of the PCV to the Requesting Personnel and files the original PVC together with the SDs.	Petty Cash Fund Custodian (Cashier)

4.3 Replenishment of PCF

PROCEDURE	RESPONSIBLE PERSON
1. Checks the completeness of all PCVs for replenishment.	Petty Cash Fund Custodian (Cashier)
2. Prepare and Certify two copies of Report on Paid Petty Cash Voucher (RPPCV).	Petty Cash Fund Custodian (Cashier)
3. Prepares Obligation Request and Status (ORS) and Disbursement Voucher (DV) in three (3) copies.	Petty Cash Fund Custodian (Cashier)
4. Signs in Box A portion of the ORS and DV.	Authorized Official
5. Forwards ORS, DV, RPPCV, PCVs and SDs to Budget Section for obligation.	Petty Cash Fund Custodian (Cashier)

4.4 Liquidation of PCF

PROCEDURE	RESPONSIBLE PERSON
1. Checks the completeness of all PCVs for replenishment.	Petty Cash Fund Custodian (Cashier)
2. Prepare and Certify two copies of Report on Paid Petty Cash Voucher (RPPCV).	Petty Cash Fund Custodian (Cashier)
3. Prepares Liquidation Report in three (3) copies and signs Box A	Petty Cash Fund Custodian (Cashier)
4. Signs in Box B portion of the Liquidation Report	Director/Assistant Director
5. Forwards Liquidation Report and SDs to Accounting Section for liquidation.	Petty Cash Fund Custodian (Cashier)

5.0 EFFECTIVITY

This memorandum shall take effect immediately upon signing and shall be valid unless revoked and superseded by future issuances.



ENGR. ARIODEAR C. RICO
Director IV