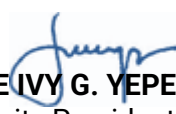


MEMORANDUM CIRCULAR NO. 32
Series of 2025

TO: **All VSU Employees**

RE: **Petty Cash Fund Guidelines**

FROM: 
PROSE IVY G. YEPES, EdD
University President

DATE: **January 28, 2025**

Please be informed that the Government Accounting Manual issued through COA Circular No. 2015-007 dated October 22, 2015 Volume I Chapter 6 Section 2r states that Petty Cash Fund (PCF) refers to the amount granted to duly designated Petty Cash Fund Custodian for payment of authorized petty or miscellaneous expenses which cannot be conveniently paid through checks/LDDAP-ADA.

Based on the above definition, the petty cash is limited only for small expenses and not for commonly used supplies. It has been observed that the university has several petty cash funds maintained by different employees across the various offices. Due to the number of petty cash fund given to the employees, we have also encountered problems such as lack of available budget of the office, possible over stocking and lack of internal control. In the last quarter of the year, we have also submitted the different needs of each office and have it consolidated in our Annual Procurement Plan (APP).

In view of this, we would like to inform you of the following changes:

- 1) The university should only have one PCF maintained in the Cash Office through our Disbursing Officer.
- 2) In accordance with Section 7.2 of RA 9184 which states that no procurement shall be undertaken unless it is in accordance with the approved APP, the duly signed PPMP pertaining to the requested items is required to be presented during pre-audit (the copy of the PPMP will be given back to the unit for future use). Contingencies should also be included in the PPMP to consider urgent and emergency items.
- 3) The purpose should be limited only to urgent needs such as laboratory chemicals/reagents, laboratory consumables/disposables (i.e., pipette tips, gloves, microcentrifuge tubes, etc.), Liquified Petroleum Gas (LPG), minor carpentry/electrical/painting requirements, emergency repair of computers/printers or other office equipment, postage or courier expenses for official letters, vulcanizing needs, needed spare parts related to travel, and those supplies that are not included in the official list of commonly used supplies per PS-DBM link: <https://sys.ps-philgeps.gov.ph/catalogue/cse-list/>

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- 4) Petty cash may also be availed for payment of notarial services related to procurement such contracts of suppliers/ contractors and other legal services connected to VSU's operation.
- 5) Payment out of PCF shall be made through an accomplished Petty Cash Voucher (PCV) which should be prepared by the requesting office to be submitted to the Petty Cash Custodian. It should specify the fund source for appropriate fund charging to be indicated in the Obligation Request and Status (ORS) or Budget Utilization Request and Status (BURS). In the case of expenses charged to the Trust Fund, the PCV should indicate the project code of the particular research project for proper deduction.
Note: Refer to attachment A which is Appendix 48 - PCV for the template and instruction on how to use the PCV.

To ensure proper use of petty cash and for internal control purposes, only reimbursements will be availed. Please be guided by the following steps:

1. Anyone intending to purchase an item using the PCF should consult first their respective unit head for approval.
 2. Submit the PCV along with the supporting documents (including ORS/BURS) to the Budget Office (for RAF, IGF, BRF) or Accounting Office (Trust Fund) for obligation.
 3. The Head of Office should approve the PCV before submission to the Budget/Accounting Office.
 4. If an item costs ₱1,000 and above, a canvass is required.
 5. The maximum amount of each item to be charged to Petty Cash is ₱2,000.
 6. Forward the documents to the Accounting Office for pre-audit
 7. Then, the Cash Office will refund the payee the amount to be claimed.
 8. Only emergency purchase should be charged to petty cash.
- 6) All disbursements out of PCF shall be covered by duly accomplished and approved PCV supported by cash invoices, ORs, Certificate of Expenses Not Requiring Receipts (CENRR) and other evidence of disbursements. Please refer to the list below for the checklist as presented in GAM:
- a. Bill, receipts, sales invoices;
 - b. Inspection and Acceptance Report (IAR) (Appendix 62);
 - c. Waste Materials Report (WMR) (Appendix 65) in case of replacement/repair;
 - d. Approved Trip Ticket, for gasoline/fuel expenses;
 - e. Summary/Abstract of Canvass from at least three suppliers for purchases involving ₱1,000 and above, except for purchases made while on official travel;
 - f. PCVs duly accomplished and signed;
 - g. OR in case of refund;
 - h. Toll Receipts and Trip Tickets for reimbursement of toll receipts;
- 7) Revolving funds kept by the Income Generating Project Leaders for both the Business-Related Fund and Internally Generated Fund would still be applicable provided they are bonded and comply with existing guidelines. To apply for bond as a special disbursing officer, you may coordinate with the Cash Office for the bond application to the Bureau of the Treasury.

Kindly take note that requests for establishment of Petty Cash Fund are put on hold for us to avoid any issues regarding funds for your purchase aside from those on the APP and to avoid problems with COA regarding our financial operations.

This memo is **effective January 31, 2025.**