



30 July 2018

MEMORANDUM CIRCULAR NO. 51

Series of 2018

T O : All Concerned

R E : Liquidation and Settlement of Cash Advances

The resort to the cash advance system despite certain problems has been recognized as a facilitative tool in the financial operations of the university. However, Commission on Audit-Annual Audit Report (COA-AAR) for Year ended December 31, 2017 reveals that unliquidated cash advances in the university have reached a staggering sum in the aggregate, and despite repeated demands and requests for liquidation, the advances have remained unliquidated.

This office hereby reiterates the dissemination of the following COA rules and regulations on the liquidation of cash advances:

- Section 5 of COA Circular No. 97-002 dated Feb. 10, 1999 with subject "Restatement with Amendments of the Rules and Regulations on the Granting, Utilization and Liquidation of Cash Advances provided for under COA Circular No. 90-331 dated May 3, 1990" state that:

5.1 The Accountable Officer (AO) shall liquidate his cash advance as follows

5.1.1 Salaries, Wages, etc. - within five (5) days after each fifteen (15) day/end of the month pay period.

5.1.2 Petty Operating Expenses and Field Operating Expenses - within twenty (20) days after the end of the year; subject to replenishment as frequently as necessary during the year.

5.1.3 Official Travel -within sixty (60)days after return to the Philippines in the case of foreign travel or within thirty (30) days after return to his permanent official station in the case of local travel, as provided for in EO 248 and COA Circular No. 96-004.

Failure of the AO to liquidate his cash advance within the prescribed period shall constitute a valid cause for the withholding of his salary and the institution of other sanctions as provided for under paragraphs 9.2 and 9.3 hereof.

5.7 When a cash advance is no longer needed or has not been used for a period of two {2} months, it must be returned to or refunded immediately to the collecting officer.

5.8 All cash advances shall be fully liquidated at the end of each year. Except for petty cash fund, the AO shall refund any unexpended balance to the Cashier/Collecting Officer who will issue the necessary official receipt.

5.9 At the start of an ensuing year, a new cash advance may be granted, provided that a list of expenses against the previous cash advance is submitted. However, when no liquidation of the previous cash advance is received on or before January 20, the Accountant shall cause the withholding of the AO's salary.

- Section 89 of Presidential Decree No. 1445 otherwise known as the Government Auditing Code of the Philippines, provides the Limitation on Cash Advance, to wit,

No cash advance shall be given unless for a legally authorized specific purpose. A cash advance shall be reported on and liquidated as soon as the purpose for which it was given has been served. No additional cash advance shall be allowed to any official or employee unless the previous cash advance given to him is first settled or a proper accounting thereof is made.

Hence, everybody is directed to comply and strictly adhere the aforementioned regulations and settle any outstanding cash advances.


EDGARDO E. TULIN
President