



15 September 2022

MEMORANDUM CIRCULAR NO. 102
Series of 2022

T O: All Concerned Employees

R E: Proper Procedure on the Utilization and Replenishment of Petty Cash Fund


The Commission on Audit issued Audit Observation Memorandum (AOM) No. 2022-014 (2021-2022) dated September 9, 2022, which states that the procedures on the Utilization and Replenishment of Petty Cash Fund (PCF) were not followed due to the non-use of the prescribed Petty Cash Voucher (PCV) and the Report on Paid Petty Cash Vouchers (RPPCV) contrary to Section 35(a) and 37, Chapter 6 of the Government Accounting Manual (GAM) for National Government Agencies (NGAs), Volume I. Further, it has the following recommendation:

"We recommend that the University President require the Accountable Officer (AO) to use the Petty Cash Voucher (PCV) to support all disbursements from the PCF. Likewise, require the AO to utilize the Report on Paid Petty Cash Vouchers (RPPCV) to cover replenishments for the PCF in accordance with Section 35(a) and 37, Chapter 6 of the GAM for NGAs, Volume I."

In compliance with the above recommendation, all petty cash fund custodian and accountable person are required to use the prescribed Petty Cash Voucher and Report on Paid Petty Cash Vouchers. It should also be emphasized that the PCV and RPPCV should be attached together with the other supporting documents during the replenishment and liquidation of the petty cash fund. You may refer to the attached files for the format and instruction on how to use the said forms.

The implementation of this circular is on September 16, 2022 and this should be applied for all funds across all offices.

For your guidance and strict compliance.


EDGARDO E. TULIN
President

Sec. 36. Documentary Requirements. The documentary requirements for PCF as provided under COA Circular No. 2012-001 dated June 14, 2012, amended by COA Circular No. 2013-001 dated January 10, 2013, and under this Chapter, are as follows:

- a. Granting of Petty Cash Advance
 1. Authority of an accountable officer issued by the Head of the Agency or his/her duly authorized representatives indicating the maximum accountability and purpose of cash advance (for initial cash advance);
 2. Certification from the Accountant that previous cash advances have been liquidated and accounted for in the books; and
 3. Approved application for bond and/or Fidelity Bond for the year for cash accountability of ₱5,001 or more as provided under Treasury Circular No. 02-2009 dated August 6, 2009.
- b. Additional Documentary Requirements for initial cash advances
 1. Approved estimates of petty expenses for one month; and
 2. Copy of policy for maintaining PCF under the imprest system
- c. Liquidation of PCF
 1. Report on Paid Petty Cash Vouchers (RPPCV) (*Appendix 49*);
 2. Approved purchase request with certificate of Emergency Purchase if necessary;
 3. Bill, receipts, sales invoices
 4. Inspection and Acceptance Report (IAR) (*Appendix 62*);
 5. Waste Materials Report (WMR) (*Appendix 65*) in case of replacement/repair;
 6. Approved Trip Ticket, for gasoline/fuel expenses;
 7. Canvass from at least three suppliers for purchases involving P1,000 and above, except for purchases made while on official travel;
 8. Summary/Abstract of Canvass;
 9. PCVs duly accomplished and signed;
 10. OR in case of refund;
 11. For reimbursement of toll receipts; and
 - i. Toll Receipts
 - ii. Trip Tickets
 12. Such other supporting document that may be required.

Sec. 38. Procedures for Disbursements through Petty Cash

Area of Responsibility	Seq. No.	Activity
<u>Establishment of PCF</u>		
Various Units		
Petty Cash Fund Custodian	1	Receives the approved check from the Cashier for the establishment of PCF. Records in the PCFR the date, particulars, reference and the amount of check in the 'Cash Advance' column.
	2	Encashes check in GSB and keeps cash in a safety vault.
<i>Note 1 – Agencies are enjoined to institute adequate internal control to safeguard government funds against possible losses/ misappropriations.</i>		
<u>Utilization of Cash Advance from PCF</u>		
Requesting Personnel	3	Accomplishes Box I columns 'Particulars' and 'Amount' and Box A "Requested by" portion of the PCV.
Immediate Supervisor	4	Signs Box A "Approved by" portion of the PCV and returns to Requesting Personnel.
Requesting Personnel	5	Submits the required documents to the PCFC for the release of fund.
Petty Cash Custodian	6	Receives from the Requesting Personnel the PCV duly approved by the Immediate Supervisor of the Requestor.
	7	Upon release of the petty cash, signs in Box B "Paid by" portion of the PCV.
Requesting Personnel	8	Receives petty cash and signs in Box B "Cash Received by" portion of the PCV.
Petty Cash Custodian	9	Issues Copy 2 of the PCV to the Requesting Personnel.
	10	Files the original of PCV awaiting liquidation.

Area of Responsibility	Seq. No.	Activity
		<u>Liquidation of Cash Advance from PCF</u>
	11	Receives from Requesting Personnel Copy 2 of the PCV together with SDs. Checks and reviews completeness of documents such as the date, amount and nature of expenses paid as shown in the SDs. If incomplete, returns to Requesting Personnel for completion of needed SDs.
	12	If complete, retrieves the original of PCV from file and fills up Box II "Total Amount Granted", "Total Amount Paid per OR/Invoice No.", and "Amount Refunded/ Reimbursed" portion of the original and Copy 2 of PCVs.
	13	Checks the appropriate boxes for "Received Refund" or "Reimbursement Paid" portion and signs Box C of the PCV.
Requesting Personnel	14	Checks and fills up the appropriate boxes for "Liquidation Submitted by" and "Reimbursement Received by" upon submission of necessary SDs and receipt or reimbursement of cash, if any, and signs Box D of the PCV.
Petty Cash Fund Custodian	15	Returns Copy 2 of the PCV to the Requesting Personnel.
	16	Retrieves PCFR from file and records paid PCVs. Fills up the following columns: date, PCV No., name of payee, nature of payment and the amount in the 'Disbursements' and 'Cash Advance Balance' columns.
	17	Files the original PCV together with the SDs.
		<u>Replenishment of PCF</u>
	18	Retrieves from file the original of the PCV together with the SDs. Checks the completeness of all PCVs for replenishment.
	19	Based on the paid PCVs and SDs, prepares the RPPCVs in two copies. Signs the "Certification" portion of the RPPCV. <i>Note 1</i> – The RPPCVs shall serve as the basis in the preparation of the DV to replenish the PCF. <i>Note 2</i> – In case of retirement, separation, termination or dismissal of the PCFC, any unused balance shall be refunded to close the accountability. The incoming Custodian shall be granted a new PCF.
	21	Based on the RPPCVs, prepares DV in four copies and ORS in three copies. Forwards Copies 1-4 of the DV, original of the RPPCVs and PCV, and SDs to Authorized Official for review and signature.

Area of Responsibility	Seq. No.	Activity
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Authorized
Official

22

Signs in Box A portion of the ORS and DV.

Petty Cash Fund
Custodian

23

Forwards Copies 1-4 of the DV, Copies 1-3 of ORS, originals of RPPCVs and PCVs and SDs to Budget Division for recording of obligation.

Note 3 – For the processing of ORS and check, refer to Sec. 15 of Chapter 3 and Sec. 12 of this Chapter, respectively.

Note 4 – For the recording of replenishment of PCF, refer to Seq. 32 to 37 of Sec. 12 of this Chapter.

Note 5 – The RPPCVs shall be distributed as follows:

Original – COA Auditor, through the Accounting Division/Unit, together with the original copies of the paid PCVs and SDs

Copy 2 – Treasury/Cash Unit

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) _____
<div style="border: 1px solid black; padding: 2px; display: inline-block; width: 20px; text-align: center;">A</div> <i>Requested by:</i> <div style="border-top: 1px solid black; width: 100%;"></div> <div style="text-align: center;">Signature over Printed Name Name of Requestor</div> <i>Approved by:</i> <div style="border-top: 1px solid black; width: 100%;"></div> <div style="text-align: center;">Signature over Printed Name Name of Immediate Supervisor</div>		<div style="border: 1px solid black; padding: 2px; display: inline-block; width: 20px; text-align: center;">C</div> <div style="margin-top: 20px;"> <input type="checkbox"/> <i>Received Refund</i> <input type="checkbox"/> <i>Reimbursement Paid</i> </div> <div style="border-top: 1px solid black; width: 100%;"></div> <div style="text-align: center;">Signature over Printed Name Petty Cash Custodian</div>
<div style="border: 1px solid black; padding: 2px; display: inline-block; width: 20px; text-align: center;">B</div> <i>Paid by:</i> <div style="border-top: 1px solid black; width: 100%;"></div> <div style="text-align: center;">Signature over Printed Name Petty Cash Custodian</div> <i>Cash Received by:</i> <div style="border-top: 1px solid black; width: 100%;"></div> <div style="text-align: center;">Signature over Printed Name Payee</div> Date: _____		<div style="border: 1px solid black; padding: 2px; display: inline-block; width: 20px; text-align: center;">D</div> <div style="margin-top: 20px;"> <input type="checkbox"/> <i>Liquidation Submitted</i> <input type="checkbox"/> <i>Reimbursement Received by:</i> </div> <div style="border-top: 1px solid black; width: 100%;"></div> <div style="text-align: center;">Signature over Printed Name Payee</div> Date: _____

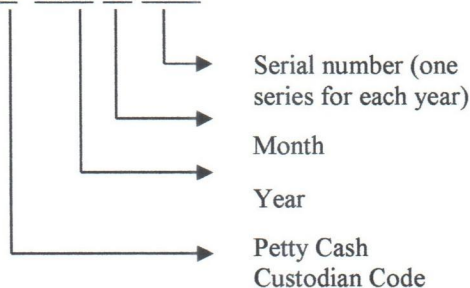
PETTY CASH VOUCHER (PCV)

INSTRUCTIONS

A. The form shall be accomplished as follows:

1. **Entity Name** – name of the agency/entity
2. **Fund Cluster** – the fund cluster name/code in accordance with the UACS
3. **No.** – number assigned to the PCV by the PCFC. It shall be numbered as follows:

0000- 0000-00-0000



3. **Date** – date of the preparation of PCV
4. **Payee/Office and Address** – name/office/address of payee/employee requesting cash advance charged to the PCF
5. **Responsibility Center Code** – the cost/responsibility center code of the requesting office

I. To be filled out upon request

6. **Particulars** – brief description of the nature of disbursement/expense
7. **Amount** – amount of petty cash requested
8. **Box A – Requested by** – shall be signed by the Requestor
9. **Box A – Approved by** – shall be signed by the Immediate Supervisor of the Requestor

10. **Box B - Paid by** – shall be signed by the PCFC

11. **Box B - Cash Received by** – shall be signed by the recipient of cash

II. To be filled out upon liquidation

12. **Total Amount Granted** – the amount of cash received by the claimant
13. **Total Amount Paid Per OR/Invoice No.** _____ – the total amount paid as shown in the OR/invoice presented
14. **Amount Refunded/Reimbursed** – the difference between the total amount granted less amount spent
15. **Box C** – the PCFC shall check the appropriate box for “Received Refund” or “Reimbursement Paid” and affix his/her signature
16. **Box D** – the payee shall check the appropriate box for “Liquidation Submitted” and/or “Reimbursement Received by” and affix his/her signature

B. Part I shall be filled out upon request of the petty cash advance and Part II shall be filled out upon liquidation.

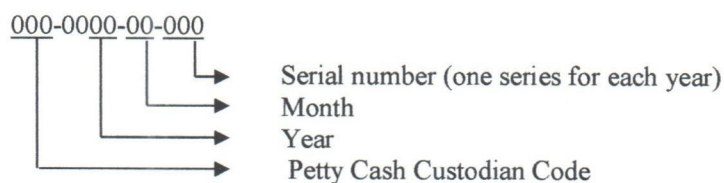
C. The PCV shall be prepared in two copies distributed as follows:

- | | |
|-----------------|--|
| <i>Original</i> | – to be attached to the RPPCV together with the supporting documents |
| <i>Copy 2</i> | – PCFC file |

REPORT ON PAID PETTY CASH VOUCHER (RPPCV)

INSTRUCTIONS

- A. The RPPCV shall be prepared by the PCFC to replenish his/her PCF. All liquidated PCVs shall be attached together with all the supporting documents.
- B. This report shall be accomplished as follows:
1. **Period Covered** – period covered by the report
 2. **Entity Name** – name of the agency/entity
 3. **Fund Cluster** – the fund cluster name/code in accordance with the UACS
 4. **Report No.** – report number assigned which shall be as follows:



5. **Sheet No.** – the sheet number which shall be one series per year
 6. **Date** – date of the PCV
 7. **Petty Cash Voucher No.** – the serial number of the PCV to be presented in numerical order
 8. **Particulars** – nature of disbursements/expenses as shown in the PCV
 9. **Amount** – amount paid covered by the PCV
 10. **Certification** – name and signature of the designated PCFC and date of signing
- C. At the end of the year, the PCFC shall prepare RPPCV covering all paid PCVs for replenishment and submit the same to the Accounting Division/Unit for the recording of expenses incurred.
- D. The PCFC shall prepare this report in two copies distributed as follows:
- | | |
|-----------------|---|
| <i>Original</i> | – COA Auditor, through the Accounting Division/Unit, as attachment to the DV together with the original PCVs and supporting documents |
| <i>Copy 2</i> | – PCFC file copy |