



7 July 2022

**MEMORANDUM CIRCULAR NO. 75**  
Series of 2022

**T O: All Concerned Employees**

**R E: Stopping of Procurement Through Reimbursement Basis**

The Commission on Audit issued Audit Observation Memorandum (AOM) No. 2022-010 (2020-2021) dated June 15, 2022, which states that Purchases for food supplies did not follow the procurement process specified under RA 9184 and its IRR contrary to PD 1445, COA Circular 97-002 dated February 10, 1997, thus casting doubts as to the propriety and regularity of the disbursements. Further, it has the following recommendations:

*"We recommend that the University President instruct the Head, Cash Division to:*

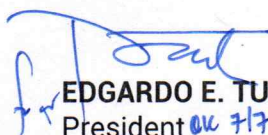
- a) Stop the practice of procuring goods through reimbursement; and*
- b) Establish a Petty Cash Fund (PVF) to pay small amount of purchases."*

*We also recommend that the University President instruct the Chairman, BAC to recommend the appropriate alternative mode of procurement to be used during emergency cases.*

In compliance, with the above recommendation, please be informed that procurement through a reimbursement basis should be stopped. Offices/units are reminded to establish a petty cash fund for recurring petty expenses of their respective unit/office. Procurement of non-petty goods and services should be coordinated with the Procurement Office and must undergo the correct procurement procedures in compliance with RA 9184 - Government Procurement Reform Act.

Moreover, kindly take note that only regular (permanent) employees are allowed to cash advance, hence only regular (permanent) employees can be designated as petty cash custodians to avoid future disallowance from COA.

For your guidance and strict compliance.

  
**EDGARDO E. TULIN**  
President *OK 7/7/22*