



**LANDBANK Countryside
Development Foundation, Inc.**

MANUAL OF ACCOUNTING UNIT

***Note: LCDFI Manual of Accounting Unit subject for confirmation/
approval of the LCDFI Board of Trustees***

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INTRODUCTION

A. OBJECTIVES OF THE MANUAL

This Manual was prepared and designed to achieve the following objectives:

1. To serve as reference to all personnel of the unit in the performance of their duties and responsibilities.
2. To serve as a training manual for new Accounting personnel.
3. To ensure a satisfactory degree of uniformity in the interpretation and implementation of the Foundation's general policies and operating guidelines related to financial accounting and reporting and other related activities.
4. To provide Accounting personnel and all other concerned employees of the Foundation basic tools and techniques universally used in related work.
5. To inform and guide other units of the Foundation on the organization, policies, systems and procedures adopted by the Accounting Unit in the pursuit of its goals and objectives in the organization.

B. SCOPE OF THE MANUAL

The Manual discusses in detail the systems and procedures adopted in the major transactions of the Accounting Unit. Likewise, it documents the prescribed guidelines governing each activity in the unit.

This Manual shall be supplemented further by internal guidelines and directions by the Management and by new applicable issuance of the regulatory agencies.

C. FUNCTIONS OF THE ACCOUNTING UNIT

1. Renders back room services for the Foundation.
2. Assists top management in its decision-making process by providing timely periodic financial reports as well as an analysis of these reports.
3. Complies with the submission of periodic reports to regulatory bodies such as, Commission on Audit (COA), Securities and Exchange Commission (SEC) and Bureau of Internal Revenue (BIR).
4. Maintains the Subsidiary Ledgers (SL) and General Ledgers (GL) for all accounts.
5. Implements accounting policies, guidelines, systems and procedures comply with the rules and regulations of supervisory and regulatory bodies.

CHAPTER 1

CASH RECEIPTS

This chapter covers the policy and procedures for recording and processing cash, checks, and money orders received for deposit and credit to the Foundation's bank accounts.

It includes receipt of donations, payment of outstanding receivables and other transactions similar in nature.

0101 GENERAL GUIDELINES

1. All Cash Receipts are acknowledged through the issuance of an Official Receipt (OR).
2. Cash received are deposited to LCDFI's operating deposit account immediately upon receipt or the next banking day if received after the banking hours.
3. Only designated Accounting personnel is authorized to receive.
4. Donations received are booked as income.
5. Logbook shall be maintained to record all issued OR.

0102 DETAILED PROCEDURES

PERSON/UNIT RESPONSIBLE	ACTIVITY
Bookkeeper	<ol style="list-style-type: none"> 1. Receives cash from the payor and checks accuracy and completeness of supporting documents. 2. Issues Official Receipt (OR) to the payor. 3. Deposits cash and check received immediately. 4. Checks received after banking hours shall be forwarded to Accountant/Finance Specialist. 5. Prepares the journal entries on the Cash Receipts Journal. 6. Attaches copy of deposit slip to the Cash Receipts Journal indicating the OR number and date in the lower right of the deposit slip. 7. Submit to Cash Receipts Journal to the Accountant/Finance Specialist for checking.
Accountant/ Finance Specialist	<ol style="list-style-type: none"> 8. Checks journal entries on the Cash Receipts Journal against supporting documents. 9. Affixes signature on the appropriate space provided, if in order. Otherwise return to Bookkeeper for adjustment/correction.
Deputy Executive Director or Executive Director	<ol style="list-style-type: none"> 10. Reviews and approves the Cash Receipts Journal. 11. Returns the Cash Receipts Journal to the Bookkeeper.
Bookkeeper	<ol style="list-style-type: none"> 12. Post entries to the Cash Receipts Book and update the SL of corresponding account on a daily basis. 13. Files the Cash Receipt Journal.
Accountant/Finance Specialist	<ol style="list-style-type: none"> 14. Checks the OR logbook, SL and Cash Receipt Book every first working day of the week.

CHAPTER 2

PETTY CASH FUND

Petty Cash Fund is established for the primary purpose of allowing purchases of small amounts to be made with a minimum level of inconvenience.

0201 GENERAL GUIDELINES

1. The LANDBANK Countryside Development Foundation, Inc. (LCDFI) shall maintain a Petty Cash Fund (PCF) of Twenty Thousand Pesos (Php20,000.00). At any time, the PCF shall be composed of the actual cash and unliquidated petty cash vouchers.
2. A PCF Custodian shall be designated to administer the PCF who shall be properly bonded. Aside from his/her usual duties and responsibilities he/she shall see to it that the PCF is adequate at all times.
3. The maximum amount allowed per Petty Cash Voucher (PCV) is Two Thousand Pesos (Php2,000.00).
4. The PCF and such cash items relating to the fund must at all times be kept in a Petty Cash Box under lock and key. Comingling of personal funds with the PCF is not allowed.
5. Temporary borrowing from the fund by LCDFI officers and employees is absolutely prohibited.
6. A petty cash book must be maintained for the PCF.
7. Only expenses that fall within the guidelines or that are emergency in nature should be charged against the PCF.
8. The officer or employee designated to handle the PCF should at all times have sole access to and responsibility for the fund.
9. From time to time, a surprise cash count shall be conducted by the Accounting Unit in the presence of the Custodian and the Executive Director(ED) or in his absence, the Deputy Executive Director(DED). The frequency of the cash count shall be the responsibility of the Corporate Treasurer.
10. All Petty Cash Voucher (PCV) payments shall be approved by the Executive Director or in his absence, the Deputy Executive Director.
11. Except when the delay is supported with adequate justification, liquidation of cash advances for the PCF should be made within three (3) working days from the date expenses incurred, subject to the recommendation of the immediate supervisor. Non-compliance with this will be sufficient ground for the approving authority to disallow liquidations/reimbursements. In case of disapproval, the employee absorbs the expenses.

12. A request for replenishment of PCF shall be made by the PCF Custodian on a regular basis when expenses accumulated at any time has reached at least 50% of the amount of PCF or after three(3) months, whichever is earlier. For emergency cases, replenishment can be made as often as the need arises.
13. An alternate shall be designated in the absence of the PCF Custodian.
14. Booking of expenses shall be done upon replenishment.
15. Payment Order (PO)/Disbursement Order (DO) for replenishment of the PCF shall be approved by the Head of Accounting Unit and ED or in his absence, DED.
16. Any disallowed expenses and/or unliquidated advances shall be charged to employee concerned and shall be deducted from their salary in the succeeding payroll.
17. Duties and responsibilities of concerned Personnel:
 - a. Personnel Requesting/Liquidating Cash Advance from the PCF
 - 1) Submits complete and duly accomplished supporting documents when:
 - a) Requesting for cash advance from PCF
 - b) Liquidating cash advance made from PCF
 - 2) Ensures that the requested cash advance is allowed under this guideline.
 - 3) Liquidates PCF within three (3) working days after date of completion of transaction together with the supporting documents.
 - b. PCF Custodian
 - 1) Records immediately all approved PCF vouchers in chronological order in the PCF Cash Book.
 - 2) Sees to it that request for cash advance is within the guidelines and allowable amount.
 - 3) Ensures that supporting documents are complete and approved before issuance of cash and upon receipt of liquidation statement.
 - 4) Maintains a checklist of supporting documents regarding the PCF and updates the same.**(Annex 2.1)**
 - 5) Keeps the Petty cash box locked at all times and kept in a safe cabinet at the end of the day.
 - 6) Issues Memo to the concerned Personnel when cash advance is unliquidated beyond three (3) working days. **See Exhibit 2.4.**

7) Requests for replenishment of PCF as stated in General Guidelines line 12.

c. Accountant/Accounting Clerk

- 1) Reviews the completeness and accuracy of PCV/liquidation statement and requests for replenishment together with its corresponding supporting documents.
- 2) Ensures that all petty cash transactions is in accordance with the guidelines.
- 3) Monitors compliance to the memo of the LCDFI Executive Director to concerned personnel regarding unliquidated petty cash fund advances.
- 4) Performs PCF cash count as instructed by the Corporate Treasurer.
- 5) Maintains a checklist of supporting documents regarding the PCF and updates the same.
- 6) Upon approval by the ED or in his absence DED, effects necessary salary deduction on the disallowed expenses and/or unliquidated advances.

d. Executive Director/Deputy Executive Director

- 1) Sees to it that the PCF Custodian is bonded.
- 2) Within the limit of approving authority, reviews/approves the following:
 - a) Request for Cash Advance from PCF
 - b) Liquidation of PCF
 - c) Replenishment of PCF
- 3) Ascertains that cash advances for PCF are within the allowable amount.
- 4) Attests to PCF Cash count.

18. Forms to be used:

- | | | |
|---|---|--|
| a. Request for Cash | - | Petty Cash Voucher (PCV) –Petty Cash Fund Receipt Portion (Exhibit 2.1) |
| b. Liquidation of PCF | - | PCV – Liquidation Statement Portion (Exhibit 2.1) |
| c. Replenishment of PCF | - | PCF Replenishment and Payment Order (Exhibit 2.2) |
| d. Payroll Input for Unliquidated Cash Advances | - | Memo-Request on Payroll Deduction (Exhibit 2.3) |

0202 DETAILED PROCEDURES

A. REQUEST FOR CASH

PERSON/UNIT RESPONSIBLE	ACTIVITY
Concerned Personnel	<ol style="list-style-type: none">1. Prepares PCV by accomplishing the Petty Cash Fund Receipt Portion.2. Forwards to Executive Director for approval.
Executive Director/ Deputy Executive Director	<ol style="list-style-type: none">3. Reviews and affixes signature on the appropriate space provided.4. Forwards to PCF Custodian for the release of cash.
PCF Custodian	<ol style="list-style-type: none">5. Upon receipt of PCV with complete supporting documents, pays cash to concerned personnel.
Concerned Personnel	<ol style="list-style-type: none">6. Receive cash and affix initials/signature in the PCV receiving portion.
PCF Custodian	<ol style="list-style-type: none">7. Indicates PCV reference number and records in the Petty Cash Book.

B. REPLENISHMENT OF PCF

PERSON/UNIT RESPONSIBLE	ACTIVITY
PCF Custodian	<ol style="list-style-type: none">1. Collates all the approved and paid PCV.2. Prepares summary of disbursements.
Accountant/Finance Specialist	<ol style="list-style-type: none">3. Reviews Summary of disbursements against the PCVs and affixes signature on "Payment Recommended" portion.4. Forwards to Executive Director/Deputy Executive Director for approval.
Executive Director/	<ol style="list-style-type: none">5. Approves Summary of Disbursement.

PERSON/UNIT RESPONSIBLE	ACTIVITY
Deputy Executive Director	6. Returns to PCF Custodian.
PCF Custodian	7. Prepares Payment Order(PO) / Disbursement Order (DO).
Accountant/ Finance Specialist	8. Reviews accuracy of PO and check entries.
Executive Director/ Deputy Executive Director	9. Approves PO/DO.
Bookkeeper	10. Once approved, prepares the check.
Accountant/ Finance Specialist	11. Reviews the details on the check and if all are in order, forwards the same to the authorized signatories.
Authorized Signatories	12. Signs the check and returns to Bookkeeper.
Bookkeeper	13. Releases the check to the PCF Custodian.
PCF Custodian	14. Encashes check. 15. Forwards to Accounting unit for recording and filing.
Finance Specialist	16. Records the approved PO and files the original copy of PO and supporting documents. 17. Forwards the PO duplicate copy to Bookkeeper for filing.

CHAPTER 3

PROCESSING OF DISBURSEMENTS

This chapter covers the processing of Payment Orders (POs)/Disbursement Orders (DOs) for payment of purchases of goods, consulting services, infrastructure projects and other obligations of the Foundation.

0301 GENERAL GUIDELINES

1. SUPPLIERS CLAIMS

The following are the general guidelines in processing suppliers' claims. These include claims for the payment of purchase of supplies materials, equipment, furniture, contractual services such as, repair and maintenance of equipment and furniture, janitorial, security, lease rental of equipment, and telecommunication expenses.

a. All expenditures for payment must be covered by a duly approved Payment Order(PO)/Disbursement Order (DO).

- 1) The PO/DO should contain the following:
 - a) Name, TIN and address of the winning bidder to whom the Purchase Order/contract is awarded;
 - b) Brief description of the goods/services being procured; and
 - c) Gross Amount reduced by the applicable taxes, reduced by penalty and warranty retention fee, if applicable and the net amount to the supplier.
- 2) The PO/DO should be approved in accordance with the Codified Approving and Signing Authority (CASA).

b. All requests for procurement shall be covered by a Procurement Request Form (PRF)

- 1) The PRF should be duly approved in accordance with CASA; and
- 2) The requesting unit shall ensure completeness and accuracy of the technical description and quantity of items being procured.

c. All procurements shall comply with RA 9184 – The Government Procurement Reform Law.

Under the law, procurement of infrastructure projects, goods and consulting services should be competitive and transparent and therefore shall go through public bidding or competitive bidding and/or other modes of procurement as allowed by the law.

d. The contract /Purchase Order issued to the winning bidder shall contain the following, if applicable:

- 1) Quantity, technical description of the goods to be delivered/services to be performed;
- 2) Terms of delivery/work completion time;
- 3) Terms of payment/payment milestone;
- 4) Scope of works and other information that maybe required in the performance/payment of the service.

e. All purchases made by the Foundation must be inspected and verified for conformity with specifications in the Contract/Purchase Order prior to acceptance.

f. The Foundation, being a GOCC, is mandated by law to withhold applicable taxes before making payment to its supplier of goods and services.

g. Approved PO/DOs are paid either through check or through credit to the suppliers' accounts maintained preferably at LANDBANK Branches.

2. CORPORATE CLAIMS

a. TRAVELLING

- 1) Traveling expenses may be advanced or reimbursed to officers/employees conducting official business for the Foundation outside his/her permanent official station.
 - a) Permanent Official Station is the office or regular place of work of the officer or employee concerned.
 - b) Travel Expenses pertain to the authorized amount which shall cover the hotel/lodging rate, meals, transportation expenses and incidental expenses.
- 2) All official travels of officers and employees shall at all times be supported by a Travel Order and Itinerary of Travel which shall be approved in accordance with the Foundation's Codified Approving and Signing Authorities (CASA).
- 3) Travel allowance shall be in accordance with Malacañang Executive Order No. 298 series of 2004. **(Annex 3.1)**
- 4) No additional cash advance shall be allowed to any officer or employee unless the previous cash advance given is first settled or a proper accounting thereof is made.

- 5) Cash advances received by officers or employees on official local travel shall be liquidated within seven (7) calendar days from date of arrival. Requirements are as follows:
 - a) Statement of actual expenses duly approved by Head of Unit
 - b) Plane fare/boat fare/bus fare tickets and other related fees
 - c) Certificate of Travel Completed, duly approved per CASA
 - d) Copy of the trip ticket, if using LCDFI vehicle
 - e) Justification for the hiring of taxi or claim of equivalent fare for using private vehicle instead of using the ordinary means of public transportation (This can be presented as a footnote to the Statement of Actual Expenses.)
 - f) Certificate of Appearance duly signed by the Head of Office/Agency visited or his authorized representative
 - g) Official receipt of the refund of excess travel allowance
 - h) Copy of duly approved justification for the extension of travel in case a trip has been extended.
- 6) Immediate refund of Cash Advance upon notice of cancellation of travel.

b. CLAIMS FOR OTHER PURPOSE

- 1) Cash advances represent amounts released to bonded Foundation employees and to cover anticipated expenses for the operation of the Foundation which may be advanced or reimbursed such as but not limited to the following:
 - a) Expenses incurred in conduct of training;
 - b) Representation and business development expense that may be incurred by authorized officers during authorized travels, meetings and other functions;
 - c) Emergency purchases of office supplies;
 - d) Expenses to be incurred in connection with seminars, trainings, Anniversary and Christmas celebrations and other special events to be conducted;
 - e) Other expenses not mentioned above and which cannot be covered by the Petty Cash.
- 2) Only permanently appointed officials and employees who are bonded as Disbursing Officers shall be granted cash advances.

- 3) Transfer of cash advance from one accountable officer to another shall not be allowed.
- 4) The cash advance shall be used solely for the specific legal purpose for which it was granted and under no circumstances should it be used for liquidation of previous cash advance.
- 5) No additional cash advance shall be allowed to any officer or employee unless the previous cash advance given is first settled or a proper accounting thereof is made.
- 6) Immediate refund of Cash advance upon notice of cancellation.

c. DOCUMENTARY REQUIREMENTS

- a) Payment Order (PO)/Disbursement Order (DO) duly approved by Executive Director, stating therein the purpose for which the cash advance shall be used;
- b) Documents showing approval for the transaction (Travel Order, Board Resolution, Contract/Purchase Order); and
- c) Other applicable requirements as per Checklist of Supporting Documents. **(Annex 3.2)**
- d) A cash advance logbook shall be maintained for each recipient employee/ officer to monitor cash advances. It shall contain the following information:
 - a. Name of employee/officer
 - b. Amount of bond
 - c. Date of receipt of PO/DO or Date of Deposit
 - d. PO/DO number
 - e. Particulars (e.g., purpose, description, etc.)
 - f. Total amount granted
 - g. Remarks/date of liquidation

3. EMPLOYEES CLAIMS

- 1) Employee claims represent all expenses incurred by LCDFI Officers, Employees, Members of the Board of Trustees in the discharge of their functions which are allowable for payment and reimbursement in accordance with existing Accounting and Auditing Rules and Regulations. Examples of expenses allowable for payment/reimbursement are the following:

- a) Representation and business development expense that may be incurred by authorized officers allowed and approved in accordance with CASA under the following conditions:
- entertaining valued clients;
 - entertaining foreign visitors/associates;
 - maintaining good public relations with media people, other government institutions and other interrelated agencies;
 - conducting staff meetings as well as meetings of authorized committees.
- b) Travel expenses advanced by LCDFI Officers, Employees and Board of Trustees.
- c) Seminars and Trainings fees.
- d) Membership to various organizations.
- e) Emergency purchase of office supplies.
- f) Expenses to be incurred in connection with seminars, trainings Anniversary and Christmas celebrations and other special events to be conducted.

2) PROCESSING OF LIQUIDATION OF CASH ADVANCES

- a) The statement of liquidation and/or PO/DO for reimbursement of cash, which shall be supported with proper documents.
- b) Any excess or unused amount of the cash advance shall be refunded in full to the Accounting Unit and the corresponding deposit slip shall be attached to the statement of liquidation as one of the supporting papers.
- c) A memorandum to hold the salary shall be issued by the Executive Director to accountable officer/employee who failed to submit the required liquidation documents or settle the refund of excess cash advance within the prescribed period. The hold order shall be enforced until compliance/submission of the requirement.

3.) PROCESSING OF LIQUIDATION OF CASH ADVANCE- OTHERS

- a) The statement of liquidation and/or PO/DO for reimbursement for Cash Advance-Other purposes, which shall be supported with proper documents, shall be submitted within seven (7) calendar days from completion of purpose or after release of cash advance, whichever is ascertainable.
- b) Any excess or unused amount of the cash advance shall be refunded in full and the corresponding official receipt shall be attached to the statement of liquidation as one of the supporting papers.

- c) A memorandum to hold the salary shall be issued by the Executive Director to accountable officer/employee who failed to submit the required liquidation documents or settle the refund of excess cash advance within the prescribed period. The memorandum shall be enforced until compliance/submission of the requirement.

0302 DETAILED PROCEDURES

A. Processing of Disbursement Orders for Supplier's Claims

PERSON/UNIT RESPONSIBLE	ACTIVITY
Concerned employee	<ol style="list-style-type: none"> 1. Prepares Payment Order (PO)/Disbursement Order (DO) in two(2) copies and attaches duly approved supporting documents on the disbursements. 2. Records incoming PO/DO in the monitoring logbook indicating the PO/DO Number, Date and Time and submits PO/DO and approved supporting documents to Bookkeeper.
Bookkeeper	<ol style="list-style-type: none"> 3. Affixes initial on the "Received by" column. 4. Checks accuracy and completeness of supporting documents. 5. If there are lacking documents/requirements, returns to concerned employee 6. Prepares the corresponding check or Debit advice. 7. Prepares Certificates of Taxes withheld. 8. Records transactions in the logbook of payments by indicating the Payee, Address, TIN Date of Receipt of PO/DO, Particulars ,Purchase Order, Invoice No., Gross Amount, Penalty, Amount of Taxes withheld, Net Amount and other important data. 9. Submits PO/DO, check/debit advice and logbook of payments to the Financial Specialist/Accountant for checking.
Financial Specialist/ Accountant	<ol style="list-style-type: none"> 10. Checks journal entries and budget sufficiency for the disbursements, as well as compliance on all other necessary details in the PO. 11. Prepares Return Slip addressed to Executive Director or Approving Authority in case of incomplete requirement such as:

	<ul style="list-style-type: none"> a. Additional Funding b. Lacking supporting documents c. Official Receipts for the refund d. Other justifications <p>12. Affixes signature "Funds Available" portion on the PO/DO.</p> <p>13. Check if information are properly indicated recorded in the Index of Payment.</p> <p>14. Forwards PO/DO to Executive Director/Approving Authority.</p>
Executive Director/ Approving Authority	15. Approves the payment and affixes PO, within the level of authority per Foundation's Codified Approving and Signing Authority (CASA).
Authorized Signatory	16. Affixes signatures on the check/Debit Advice
Bookkeeper	17. For POs/DOs with lacking requirements, returns to concerned unit for compliance of additional requirements and let them acknowledge receipt of the same in the monitoring logbook.

B. Processing of Disbursement Orders for Cash Advances

PERSON/UNIT RESPONSIBLE	ACTIVITY
Concerned employee	<p>1. Prepares Payment Order (PO)/Disbursement Order (DO) in two (2) copies and attaches duly approved supporting documents on the disbursements.</p> <p>2. Records incoming PO/DO in the monitoring logbook indicating the PO/DO Number, Date and Time and submits PO/DO and approved supporting documents to Bookkeeper.</p>
Bookkeeper	<p>3. Affixes initial on the "Received by" column.</p> <p>4. Checks if the following are met:</p> <ul style="list-style-type: none"> a. Requesting employee is bonded b. Approval of transaction per CASA c. Availability of funds d. Accuracy and completeness of supporting

	<p>documents</p> <p>5. Records the following information/details in the logbook of payment:</p> <ol style="list-style-type: none"> a. Name of employee/officer b. Amount of bond c. Date of receipt of PO/DO or Date of Deposit d. PO/DO number e. Particulars (e.g., purpose, description, etc.) f. Total amount granted g. Remarks/date of liquidation <p>6. Submits PO/DO to the Accountant/Finance Specialist together with the logbook of payment for checking.</p>
Accountant/ Finance Specialist	<p>7. Reviews completeness and accuracy of PO/DO and supporting documents.</p> <p>8. Checks if information are properly indicated in the logbook of Payment.</p> <p>9. Affixes signature on the appropriate space provided in the PO.</p>
Executive Director/ Approving Authority	<p>10. Approves the Cash advance and affixes signature on PO/DO, within the level of authority per Foundation's CASA.</p>
Authorized Signatory	<p>11. Affixes signatures on the check.</p>

C. Processing of Liquidation of Cash Advance- Others

PERSON/UNIT RESPONSIBLE	ACTIVITY
Concerned employee	<ol style="list-style-type: none"> 1. Prepares Payment Order (PO)/Disbursement Order (DO) in two (2) copies and attaches duly approved supporting documents on the disbursements. 2. Record incoming PO/DO in the monitoring logbook indicating the PO/DO Number, Date and Time and submit PO/DO and approved supporting documents to Bookkeeper.
Bookkeeper	<ol style="list-style-type: none"> 3. Affixes initial on the "Received by" column

	<p>4. Checks if the following are met:</p> <ol style="list-style-type: none"> a. Requesting employee is bonded. b. Approval of transaction per CASA c. Availability of funds d. Accuracy and completeness of supporting documents. <p>5. Records the following information/details in the index of payment:</p> <ol style="list-style-type: none"> a. Date of Receipt of PO/DO b. PO/DO Number c. Particulars (purpose and specific period of d. activities/ Travel Order No. if applicable) e. Amount <p>6. Submits to the Accountant/Financial Specialist together with the logbook of payment for checking</p>
Accountant/ Finance Specialist	<p>7. Reviews completeness and accuracy of PO/DO and supporting documents.</p> <p>8. Checks if information are properly indicated in the Index of Payment.</p> <p>9. Affixes signature on the appropriate space provided in the PO.</p>
Executive Director/ Approving Authority	<p>10. Approves the Cash advance and affixes PO, within the level of authority per Foundation's Codified Approving and Signing Authority (CASA)</p>
Authorized Signatory	<p>11. Affixes signatures on the check</p>

0303 INTERNAL CONTROLS

1. No cash advance shall be granted unless a proper accounting of the previous cash advance is first made or the same is fully liquidated/settled.
2. Failure to liquidate cash advance within the prescribed period shall mean suspension of payment of salary of the officer or employee.
3. Statement of Liquidation with incomplete documents shall be suspended in post-audit and shall become a disallowance after 90 days.
4. The disallowed portion, if still unliquidated after 90 days, shall be lodged to the Accounts Receivable from the employee/officer concerned and shall be settled by him within a week after notice. Otherwise, this shall be immediately deducted from the payroll.
5. The used original transportation tickets and other original receipts should be invalidated by stamping "PAID" to preclude their future use.
6. The copies of itineraries of travel shall be filed sequentially according to deadline dates for liquidation.
7. Logbook of Payment by officers/employees shall be maintained to record all authorized travels of each officer/employee. The following information shall be indicated on each Index of Payment:
 - a. Name of officer/employee
 - b. Department/Office/Unit
 - c. Date received for processing
 - d. Date of Travel Order (TO)
 - e. TO number
 - f. Particulars of travel – where, when, period of travel, etc.
 - g. Remarks/Date – Liquidated (If this column is left blank, it shall mean the PO/DO is still unliquidated)
8. Logbook shall be maintained to record all incoming and outgoing disbursement documents.
9. Original copy of documents shall be the basis in processing of transactions.

CHAPTER 4

PROCESSING OF PAYROLL AND OTHER MANPOWER COST

This chapter covers the processing and liquidation of salaries and benefits of LCDFI officers and employees.

0401 GENERAL GUIDELINES

A. Validating, reviewing and processing of Monthly Payroll and Other Income/Deductions.

1. The processing of payroll transactions of all LCDFI's officers and employees, including new hires, shall be done thru Payment Order (PO)/Disbursement Order (DO).
2. Payroll shall be processed once a month but payout shall be done semi-monthly. All regular income and deductions shall be divided equally into two (2) quincena payroll periods.
3. Payout shall be made one working day before the 15th or end of the month except in February of each year when payout shall be made one day before the 14th or 28th (or 29th) day.
4. If the payment date falls on a non-working day, payment should be given out at the last working day before the supposed payment date.
5. All contractual employees shall be paid every 15th and last day of the month. If the payment date falls on a non-working day, payment should be given out at the last working day before the supposed payment date.
6. Accounting Unit shall be responsible for processing and validation of following items of income and deductions of LCDFI Officers and rank and file employees:

a. Income Items

- 1) Basic Salary and Benefits
- 2) Overtime claims
- 3) SL/VL Monetization
- 4) Salary adjustment

b. Deductions

- 1) Mandatory deductions

The following mandatory payroll deductions of LCDFI officers and employees shall be computed based on the existing guidelines of the corresponding agencies:

- a) Social Security System (SSS) contributions
- b) Withholding Tax(BIR)

- c) Philhealth(PHIC) contributions
- d) Pag-ibig (HDMF) contributions

2) Loan/s

- a) SSS Loans
 - i. Salary Loan
 - ii. Emergency Loan
 - iii. Calamity Loan
- b) HDMF Loans
 - i. Multi-Purpose Loan
 - ii. Emergency Loan
 - iii. Calamity Loan

3) Accounts Receivables(A/R)

- a) Leave Without Pay
- b) Others (e.g. personal charges)

A/R will be deducted in the next payroll.

B. Processing of Monthly remittance and in accordance with the required format to various agencies

1. SSS

- a. Remittance within the first 10 days of the month, if the 10th day falls on weekends or holiday remittance will be on the next working day.
- b. Check paid directly to SSS or to accredited collecting agents.

2. HDMF/Pag-ibig

- a. Remittance within the first 10 days of the month, if the 10th day falls on weekends or holiday remittance will be on the next working day.
- b. Check paid directly to HDMF.

3. Bureau of Internal Revenue (BIR)

- a. Remittance on the 10th calendar day after end of reference month, if the 10th day falls on weekends or holiday remittance will be on the next working day.
- b. Check paid to authorized agent banks.

4. Philhealth/PHIC

- a. Remittance within the first 10 days of the month, if the 10th day falls on weekends or holiday remittance will be on the next working day.

- b. Check paid to PHIC accredited collecting agents.

C. Processing/Validation of Annual Compensation Income Tax Return (BIR Form 1604 CF/BIR Form 2316)

Pursuant to provisions of Revenue Regulations No. 2-98, every payor or person required deducting and withholding the tax and filing to BIR the Annual Information Return of Income Taxes Withheld on Compensation and Final Withholding Taxes (BIR Form 1604-CF) together with alphabetical list of employees and alphabetical list of payees subjected to final withholding taxes.

- a. Ensure that Tax Identification Number (TIN) of all employees are true and correct as per BIR RR 11-99 which provides for the mandatory incorporation of TIN in all government forms/reports. Otherwise the government official/employee concerned shall be criminally liable or punishable by fine of One thousand Pesos (P1,000.00) or suffer imprisonment of not more than six (6) months or both.
- b. Remember the rule "Tax due=Tax Withheld" for the year. All year-end adjustments must be accurately effected before the last payroll period for the calendar year. Final updating of the year- to-date gross income is on the last input date of December payroll.
- c. Use Annualized Withholding Tax by using the Annualized withholding Tax table (Annex D) method when computing for the year-end adjustment or when the employer-employee relationship is terminated before the end of the calendar year.
- d. Determine the tax deficiency or tax refund if any.
 - 1) If tax deficiency from the employee, deduct from succeeding payroll.
 - 2) If resulted to tax refund:
 - a) Employees – to be credit in the next payroll
 - b) For those separated – to book as AP Others to be credited/included in the last payment of benefits

0402 DETAILED PROCEDURES

A. Validating, Reviewing and Processing (Payroll Run) of Monthly Payroll and Other Income/Deductions

PERSON/UNIT RESPONSIBLE	ACTIVITY
Timekeeper	18. Prepares the Monthly Attendance Report and forward to officers and employees for checking.
Officers and Employees	19. Officers and employees check the summary of their attendance and affixed signature in the space provided in their name. 20. Forwards to the Executive Director(ED) or in his absence, Deputy Executive Director (DED) for notation/approval.
ED/DED	21. Affixes signature on the appropriate space provided.
Timekeeper	22. Forwards a copy of Approved Monthly Attendance Report to the Accounting Unit for preparation/computation of payroll.
Concerned Employees	23. Forwards an approved copy of overtime claims to the Accounting Unit.
Bookkeeper	24. On the basis of documents received, computes/validates and prepares schedules of additional income and deductions and signs documents before forwarding to accountant for checking.
Accountant/ Finance Specialist	25. Reviews/Checks computations and supporting documents of all schedules of income and deductions/prepared. If there are no corrections, signs on the "Checked By" portion. Then forwards to Executive Director or in his absence Deputy Executive Director for approval.
ED/DED	26. Affixes signature on the appropriate space provided. 27. Forwards to Bookkeeper.
Bookkeeper	28. Prepares Debit Memo (DM) to Cash Department for payroll credit. 29. Forwards to authorized signatory based on approved CASA.

Authorized Signatories	30. Affixes signature in DM. 31. Forwards to Bookkeeper.
Bookkeeper	32. Forwards to Cash Department for processing.

B. Computation of tax to be withheld

PERSON/UNIT RESPONSIBLE	ACTIVITY
Bookkeeper	<ol style="list-style-type: none"> 1. Determine the monetary and non-monetary compensation paid to an employee for the payroll period segregating: <ol style="list-style-type: none"> a. Gross Benefits (e.g. 13th month pay, productivity incentives, Christmas Bonus and other benefits) b. Employees Contribution (e.g. SSS, HDMF and PHIC) 2. Segregates the taxable from the non-taxable compensation paid to the employee for the payroll period. 3. Segregates the taxable compensation income as determined in Step 2 into: <ol style="list-style-type: none"> a. Regular taxable Income includes basic salary, fixed allowances for representation, transportation and other allowances paid to an employee per payroll period. b. Supplementary compensation income includes payments to an employee in addition to the regular compensation such as commission, overtime pay, taxable retirement pay, taxable bonus and other taxable benefit, with or without regard to a payroll period. 4. Uses the Monthly Withholding Tax tables as prescribed by the BIR. 5. Fixes the compensation level as follows: <ol style="list-style-type: none"> a. Determine the line (horizontal) corresponding to the status and number of qualified dependent children using the

	<p>appropriate symbol for the taxpayer's status.</p> <p>b. Determine the column to be used by taking into account only the total amount of taxable regular compensation income. The compensation level is the amount indicated in the line and column to which the regular compensation income is equal to or in excess, but not to exceed the amount in the next column of the same line.</p> <p>c. Compute the withholding tax due by adding the tax predetermined in the compensation level indicated at the top of the column, to the tax on the excess of the total regular and supplementary compensation over the compensation level which is computed by multiplying the excess by the rate also indicated at the top of the same column/compensation level.</p>
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C. Processing of Remittances to SSS/HDMF/BIR/ and PHIC

PERSON/UNIT RESPONSIBLE	ACTIVITY
Bookkeeper	1. Prepares Monthly remittance reports for SSS/HDMF/BIR and PHIC. 2. Forwards to Accountant/Finance Specialist for checking.
Accountant/ Finance Specialist	3. Validates the reports against the approved schedule of income and deductions and if tallies with the GL. 4. Affixes signature on the review/checked portion of the report. 5. Return to Bookkeeper for PO/DO preparation.
Bookkeeper	6. Prepares PO/DO then forwards to Accountant/Finance Specialist.
Accountant/ Finance Specialist	7. Checks the accounting entries. 8. Sign in "Funds Available" portion.

	9. Returns to Bookkeeper for check preparation.
Bookkeeper	10. Prepares Check. 11. Forwards to Accountant/Finance Specialist for checking of check details
Accountant/ Finance Specialist	12. Review the details of the check. 13. Forwards to the authorized signatories.
Authorized Signatories	14. Affixes signature/s on the check then returns to the Bookkeeper for remittance to agencies concerned.

0403 INTERNAL CONTROLS

1. Monthly payroll shall be approved in accordance with the existing CASA.
2. Over time claims duly signed by the concerned employee and approved by the Executive Director/Deputy Executive Director must be submitted to Accounting Unit every 5th working day of the month, otherwise it will be credited on the next payroll.
3. A monthly attendance report shall be prepared and signed by all employees of the Foundation and shall form part of the supporting documents in the preparation of the monthly payroll.
4. Payroll must be prepared/computed five (5) days before the payout in order to have ample time for checking.

CHAPTER 5

BANK RECONCILIATION

0501 GENERAL GUIDELINES

A. BANK RECONCILIATION

1. The Book to Bank Balance method of reconciliation shall be used in the preparation of Bank Reconciliation Statement.
2. The Bank Reconciliation Statement (**Exhibit 5.1**) shall be prepared monthly by the Accounting Unit.
3. The following shall be the basis in the reconciliation:
 - a. For checking deposit account, Bank Statement or request for a Statement History of transaction for the month within five (5) banking days after the end of the reference month.
 - b. For savings deposit account, present to the depository bank the deposit passbook for updating within five (5) banking days after the end of the reference month.
4. The Accounting Unit shall, within two (2) banking days from receipt of the Statement History or passbook, reconcile the same with the GL balance and prepare the Bank Reconciliation Statement in one (1) copy.
5. Accounting Unit shall prepare a corresponding journal voucher for all valid reconciling items that require adjustment/booking.

0502 DETAILED PROCEDURES

A. BANK RECONCILIATION

PERSON/UNIT RESPONSIBLE	ACTIVITY
Bookkeeper/ or designated personnel	<p>33. Receives and checks the completeness of the documents</p> <p>34. Reconciles the balances by:</p> <p style="margin-left: 40px;">a. Verifying the balances on the documents (Bank statement or Statement History of transactions of the month/updated passbook)</p> <p style="margin-left: 40px;">b. Determining the reconciling items by comparing the entries in both the BS/passbook/ against the GL entries</p> <p style="margin-left: 40px;">The following are common reconciling items between the balances:</p> <ul style="list-style-type: none"> • Deposit in Transit • Outstanding Checks • No Sufficient Fund Checks • Service Charges • Interest Income • Errors <p>35. Books the adjusting entries based on approved journal vouchers.</p> <p>36. Prepares the reconciliation statement (Exhibit 5.1) based on the noted reconciling items.</p> <p>37. Signs and forwards the reconciliation statement together with the supporting documents to the Accountant/Finance Specialist for checking.</p>
Accountant/ Finance Specialist	<p>38. Checks/reviews the reconciliation statement, if in order, otherwise, return to the Bookkeeper for correction/revision.</p> <p>39. Forwards the same to the Corporate Treasurer and/or Executive Director or in his absence Deputy Executive Director for review/approval.</p>

PERSON/UNIT RESPONSIBLE	ACTIVITY
Executive Director or in his absence Deputy Executive Director and/or Corporate Treasurer	40. Reviews and approves the reconciliation statement. 41. Forwards the same to the Bookkeeper for distribution and filing.
Bookkeeper or designated personnel,	42. Files the copy of the reconciliation statement with all the supporting documents for audit purposes.

0503 INTERNAL CONTROLS

1. Bank Reconciliation Statement shall be prepared on a monthly basis using the Book to Bank Balance method of reconciliation.
2. All entries in the Bank Reconciliation Statement must be supported by approved/duly signed documents.
3. Bookkeeper or designated personnel shall ensure that any sundry debits/credits are reversed within the set period.

CHAPTER 6

MAINTENANCE OF SUBSIDIARY LEDGERS

0601 GENERAL GUIDELINES

1. Subsidiary Ledgers (SLs) for assets, liabilities, income and expenses shall be manually handled using computerized SL format.
2. Daily Posting of SL accounts shall include the following details:
 - Date
 - Particulars including reference numbers, if any
 - Amount (Debit, Credit and Balance)
3. Only income and expense accounts which requires monitoring and preparation of reports shall maintain SLs.
4. SLs should at all times tally with the general ledgers. Any discrepancies should be accounted for and adjusted accordingly.
5. SLs for the month shall be printed/generated every first working day after reference month.

0602 DETAILED PROCEDURES

PERSON/UNIT RESPONSIBLE	ACTIVITY
Bookkeeper	<ol style="list-style-type: none"> 1. Posts transactions daily using computerized SL format with the following details: <ul style="list-style-type: none"> • Date • Particulars indicating reference no., if any • Amount (Debit, Credit and Running Balance) 2. Ensures that SL balances tallies with General Ledger. Any discrepancies must be accounted and necessary entries must be booked. 3. Prepares Journal entries for any discrepancies or adjustments. 4. SL for the month shall be printed every 1st working day of the reference month.
Bookkeeper	<ol style="list-style-type: none"> 5. Affixes initials on the forwarding and carrying balances of SL accounts on all pages as well as on the month-end balances. 6. Forwards the print-out to supervisor for checking/validation of SL entries.
Accountant, Finance Specialist	<ol style="list-style-type: none"> 7. Checks/validates SL entries and balances. 8. Affixes initial on the forwarding and carrying balances of SL accounts on all pages as well as on the month-end balances. 9. Reviews/checks adjusting entries. 10. Returns the print-out to Bookkeeper for filing. 11. Forwards to Executive Director the journal entries for approval.
Executive Director	<ol style="list-style-type: none"> 12. Approves Journal entries and returns to Bookkeeper.
Bookkeeper	<ol style="list-style-type: none"> 13. Posts the approved entries and file.

0603 INTERNAL CONTROLS

1. Updating of SL must be done on a daily basis.
2. Maintenance of back-up of SL files shall be undertaken every Friday for reference and safekeeping.
3. Month-end SL account balances shall be, at all times, reconciled with the GL account balances.
4. The carrying/forwarding/month-end balances shall be validated and initialed by Bookkeeper and Supervisor of the Accounting Unit.

CHAPTER 7

FINANCIAL AND OTHER ACCOUNTING REPORTS

0701 GENERAL GUIDELINES

1. Financial Report includes Trial Balance and Financial Statement (Statement of Assets, Liabilities and Fund Balances, Statement of Revenues, Expenses And Changes In Fund Balances and Cash Flow Statement) and other report required by the Management.
2. Schedule of Reports is shown in **Annex 7.1**
3. Reports must be approved and signed by authorized/designated signatories and submitted on or before due date to avoid penalties that may be imposed.
4. Supporting schedules shall be attached to the monthly trial balance.
5. Reports shall be filed by type and in chronological order.

0702 DETAILED PROCEDURES

A. TRIAL BALANCE PREPARATION

PERSON/UNIT RESPONSIBLE	ACTIVITY
Accountant/ Finance Specialist	<ol style="list-style-type: none">1. Gathers the Cash Receipts, Cash Disbursements and Journal Voucher Summaries.2. Consolidates the summaries and prepares the Trial Balance.3. Submits to the Treasurer and Executive Director for checking and approval.
Corporate Treasurer Executive Director	<ol style="list-style-type: none">4. Checks and Approves the Trial Balance and affixes signatures on the provided space.

B. Preparation of Internal and External Reports

PERSON/UNIT RESPONSIBLE	ACTIVITY
Accountant/ Finance Specialist(FS)	<ol style="list-style-type: none">1. Prepares Financial Reports based on the approved Trial Balance prepared.2. Analyzes movements of account balances against schedule.3. Validates the completeness and accuracy of financial data as reflected in the report and certifies the correctness of the report.4. Ensures proper classification of transactions and compliance to existing accounting rules and regulations.5. Submits to the Corporate Treasurer for review.
Corporate Treasurer	<ol style="list-style-type: none">6. Reviews the Financial Reports and ensures compliance to existing policies.7. Affixes signature on the appropriate space provided, if no discrepancies. Otherwise returns to Accountant / FS for adjustment/correction.
Executive Director	<ol style="list-style-type: none">8. Reviews and approves the Financial Reports.9. Returns to Accountant/FS for filing.

0703 INTERNAL CONTROLS

1. Accounting records must be kept accurate and updated.
2. There must always be a supervisory review and monitoring in the conduct of accounting activities of the Foundation.
3. Financial reports shall always be checked by the Supervisor and approved by the Executive Director and Corporate Treasurer.
4. Schedule of Submission of Reports must be observed strictly.

CHAPTER 8

INVESTMENTS AND FUND MANAGEMENT

0801 GENERAL GUIDELINES

1. LCDFI funds shall be placed in risk-free or Government Securities investment, e.g. Treasury Bills, Government Bonds through LANDBANK.
2. Premium or Discount (difference between the Face Value and Purchase Price of the Investment) is amortized using the effective interest method.
3. Proposed Investment of LCDFI funds must be approved per CASA prior to actual Investment.
4. Documentary proof of investment shall be under the custody of the Accountant/Finance Specialist. It shall be safe kept in a lock cabinet.
5. All Investments and its corresponding interest, if any, shall be properly accounted and booked accordingly.
6. Proceeds of maturing investment shall be credited to LCDFI's designated Account.

0802 DETAILED PROCEDURES

A. NEW PLACEMENT

PERSON/UNIT RESPONSIBLE	ACTIVITY
Accountant/ Finance Specialist	<ol style="list-style-type: none">1. Prepares memorandum for proposed potential investments to the Corporate Treasurer and Executive Director.2. Once approved, coordinates with the parties chosen, on the amount and type of investment.3. Prepares debit memo for the amount to be invested.4. Forwards debit memo to authorized signatories.
Authorized Signatory	<ol style="list-style-type: none">5. Affixes signature on the appropriate space provided.
Accountant/ Finance Specialist(FS)	<ol style="list-style-type: none">6. Transmits to the concerned investment parties.7. Furnishes Bookkeeper copy of investment documents.
Bookkeeper	<ol style="list-style-type: none">8. Prepares Journal entries corresponding to type/classification of investment.9. Forwards to Accountant/FS the journal entries.
Accountant/ FS	<ol style="list-style-type: none">10. Reviews Journal entries against investment documents.11. If in order, affixes signature on the "Checked by" portion.12. Forwards to Executive Director.
Executive Director	<ol style="list-style-type: none">13. Approves/signs journal entries based on attached document.
Accountant/ FS	<ol style="list-style-type: none">14. Safe keeps all investment related documents in a locked cabinet.
Bookkeeper	<ol style="list-style-type: none">15. Prepares monthly schedule of Investments and ensure SL tallies with GL.

CHAPTER 9

PROPERTY, PLANT AND EQUIPMENT

0901 GENERAL GUIDELINES

1. Classification
 - a. Furniture and Fixtures
 - b. Information and Communication Technology Equipment
 - c. Office Equipment
 - d. Transportation Equipment
 - e. Leasehold Rights and Improvements
2. Recognition
 - a. Upon acquisition, items shall be capitalized as assets if it meets all the following characteristics:
 - 1) It is probable that future economic benefits associated with the item will flow to the Foundation;
 - 2) It is expected to be used for more than one(1) year; and
 - 3) The cost of the item is P10,000 or more.
 - b. Items regardless of its cost, having an estimated useful life of one(1) year or less, shall be considered expendable items and shall be expensed upon purchase.
3. Composition and details of initial cost of each asset classification is shown in **Annex 9.1**.
4. Subsequent Costs

After the asset is in use, expenses for the following may be incurred:

 - a. Additions (extensions, enlargement or expansions made to an existing asset) shall be capitalized if:
 - 1) It is possible that the future economic benefit will flow to the Foundation for more than one(1) year.
 - 2) The costs of such additions, replacements, betterments and improvements is at least 5% of the initial cost but should not less than P10,000.00.

- b. Replacements, betterments and improvements in which major component of the asset is replaced shall be capitalized, if it meets the requirement under item a, in which case the following shall apply:
 - 1) The original cost and the accumulated depreciation of the replaced part shall be derecognized or removed from the asset's carrying amount.
 - 2) If the original cost cannot be determined, the replacement cost shall be used.
- c. Expenses for the following shall be expensed outright:
 - 1) Expenses for repairs and maintenance or expenses for regular servicing to maintain the operation of the asset.
 - 2) Administration and other general overhead costs.
 - 3) Cost incurred in using an item.
 - 4) Other subsequent cost after the asset is in use which shall be considered administrative expenses.

5. Depreciation

- a. The depreciable amount of the asset shall be depreciated on a straight-line basis over the estimated useful life. Depreciation shall be rounded to the nearest peso.
- b. Depreciation shall start the month following the date of the certification by the Property Officer that the asset is ready for use (even if not actually being used).
- c. A 10% residual value shall be deducted from the initial cost of an asset before computing the depreciation. This residual value shall be maintained up to the recognition of the asset.
- d. Estimated useful life of selected asset is shown in **Annex 9.2**

0902 DETAILED PROCEDURES

A. Upon Acquisition

PERSON/UNIT RESPONSIBLE	ACTIVITY
Property Officer	<ol style="list-style-type: none">1. Upon acquisition, ensures that the new equipment is in accordance with the required specification prior to acceptance.2. If in order, prepares Memorandum Receipt(MR) to the requesting employee.3. Maintains and updates MR.

B. Booking of Depreciation

PERSON/UNIT RESPONSIBLE	ACTIVITY
Property Officer	<ol style="list-style-type: none">1. Prepares/updates Schedule of assets after the annual inventory.2. Forwards the same to the accounting unit.
Bookkeeper	<ol style="list-style-type: none">3. Prepares monthly journal entries for monthly depreciation of assets.4. Forwards to Accountant/Finance Specialist for Checking.
Accountant, Finance Specialist	<ol style="list-style-type: none">5. Checks journal entries and signs on the space provided.6. Forwards to Executive Director for approval.

PERSON/UNIT RESPONSIBLE	ACTIVITY
Executive Director	7. Approves/signs journal entries. 8. Returns to Bookkeeper for posting and filing.

0903 INTERNAL CONTROLS

1. Inventory of assets shall be conducted every third quarter of the year.
2. Unserviceable assets shall be classified as "Other Assets" until these are disposed. Fully depreciated assets remain in the asset's original classification until it becomes unserviceable.
3. Assets issued by the Property Officer for official use of officials and employees shall be covered by Memorandum Receipt (MR).
4. The recipient of the said MR shall be liable for its money value in case of improper or unauthorized use or misapplication thereof, by himself or by any person for acts he may be responsible. He shall be likewise liable for all losses, damage or deterioration occasioned by the negligence in the keeping or use of the property, whether or not it be at the time in his actual custody.

CHAPTER 10
SUPPLIES MANAGEMENT

Supplies refer to purchases intended for official transactions and activities that have a unit cost of not more than Ten Thousand Pesos (Php 10,000.00).

1001 GENERAL GUIDELINES

1. Purchase of supplies shall be centralized and shall be performed only by the designated Supplies officer.
2. All office units shall submit every First Week of November its request for supplies for the next year.
3. The Supplies Officer shall consolidate all the unit's requests to be used.
4. An inventory record shall be maintained by the supplies officer for control and monitoring purposes.
5. The Supplies Officer shall purchase supplies only once a quarter, with due consideration to the supplies balance per unit of the preceding quarter.
6. All supplies due for purchase will undergo procurement process in compliance with Republic Act No. 9184 or Procurement Law.
7. Supplies shall be recorded as Inventories upon requisition and expense upon issuance.

CHAPTER 11

BUDGET PREPARATION

1101 GENERAL GUIDELINES

1. Budget preparation shall be based on the Foundations Plans and Programs for the year.
2. Budget prepared is the basis of Work and Financial Plan (WFP) of donated funds.
3. All units of the Foundation shall prepare their individual budget proposals on or before the deadline set by the management.
4. Budget proposals shall be submitted in hard copy and soft copy to the Bookkeeper for easier consolidation purposes.
5. Budget proposals shall consider factors like the inflation rate and annualized expenses of the current year.
6. Projected capital expenditures (items costing P10,000.00 and above shall be indicated in the budget proposal).
7. The Foundation's Corporate Operating Budget shall be approved in accordance with the existing CASA.

1102 DETAILED PROCEDURES

All Concerned employee	1. Prepares budget proposal and submits to their Unit Head.
Unit Head	2. Reviews the Unit's budget proposals in accordance with the existing policies. 3. Consolidates budget proposals of the unit in two (2) copies. 4. Forwards to the Executive Director for review and approval together with supporting documents.
Executive Director	5. Reviews consolidated budget proposal from different units. 6. Approves/Signs the Unit's Consolidated Budget proposal. 7. Forwards to Concerned Unit for proper documentation and submission to Accounting Unit.
Concerned Unit	8. Receives the approved consolidated budget of the unit. 9. Files the first copy. 10. Forwards the second hard copy as well as the soft copy to the Accounting Unit for consolidation.
Bookkeeper	11. Consolidates all approved consolidated budget of the unit. 12. Forwards to Accountant/Finance Specialist for checking.
Accountant/Finance Specialist	13. Reviews budget proposals against the attachments and existing policies.

1103 INTERNAL CONTROLS

1. Budget proposals shall be compared to the actual expenses and estimated expenses of the current year.
2. All units shall be involved in budget preparation.
3. Budget shall be approved by the Board of Trustees.
4. Any Supplemental/adjustments/re-allocation shall be approved within the CASA.

**CHECKLIST OF SUPPORTING DOCUMENTS FOR
CASH ADVANCE THRU THE PETTY CASH FUND (PCF)**

A. Upon Request of Cash Advance from PCF

- Approved Petty Cash Voucher (PCV) plus:
 - Approved trip ticket for gasoline expenses
 - Approved Travel Order for travelling expenses
 - Approved Official Business(OB) form

B. Upon Liquidation of Cash Advance from PCF

PURCHASES

- PCV (Liquidation Statement portion duly approved)
- Bills, Receipts, Sales Invoices
- Canvass from at least three suppliers for purchases involving P1,000 and above(single transaction), except for purchase made while on official travel
- Summary/Abstract of Canvass
- MR for office equipment/furniture and fixture

REPAIRS AND MAINTENANCE

- PCV (Liquidation Statement portion duly approved)
- Report of Waste Materials duly accomplished
- Canvass from at least three suppliers for purchases involving P1,000 and above(single transaction), except for purchase made while on official travel
- Summary/Abstract of Canvass
- Official Receipts or Payment Receipts of Company/person performing the job

GASOLINE

- PCV (Liquidation Statement portion duly approved)
- Official Receipt (OR)

OTHERS

- PCV (Liquidation Statement portion duly approved)
- Official Receipt (OR) in case of refund
- Canvass from at least three suppliers for purchases involving P1,000 and above(single transaction), except for purchase made while on official travel
- Canvass Sheet/ Abstract of Canvass
- For reimbursement of toll receipts
 - Toll Receipts
 - Trip Tickets
- In case of meetings
 - Official Receipt
 - Lists of Guests/ Attendance Sheet
 - Notice/Purpose of meeting

Executive Order No. 298, s. 2004

Signed on March 23, 2004

MALACAÑANG
MANILA

BY THE PRESIDENT OF THE PHILIPPINES

EXECUTIVE ORDER NO. 298

AMENDING FURTHER EXECUTIVE ORDER NO. 248 DATED MAY 29, 1995 AS AMENDED BY EXECUTIVE ORDER NO. 248-A DATED AUGUST 14, 1995, WHICH PRESCRIBES RULES AND REGULATIONS AND NEW RATES OF ALLOWANCES FOR OFFICIAL LOCAL AND FOREIGN TRAVELS OF GOVERNMENT PERSONNEL

WHEREAS, the existing rules and regulations and the allowable travel expenses for local and foreign travels of government personnel must be rationalized to make the grant thereof fair and equitable;

WHEREAS, in view of the increasing cost of goods and services, there is a need to review the rules and regulations and travel expenses for local and foreign travels;

WHEREAS, under Section 79 of Presidential Decree No. 1177, dated July 30, 1977, as amended by Section 72, Book VI of Executive Order No. 292 or the (Administrative Code of 1987), the rates of travel allowances may be changed from time to time as may be determined by the Travel Rates Committee created therein;

WHEREAS, the Travel Rates Committee has submitted to the President recommendations to modify the existing rules and regulations and the authorized travel expenses for local and foreign travels;

NOW, THEREFORE, I, GLORIA MACAPAGAL-ARROYO, President of the Philippines, by virtue of the powers vested in me by law, do hereby order:

SECTION 1. Section 4 of EO No. 248, as amended by EO No. 248-A, is hereby renamed as Section 2, and Items b) and c) thereof are hereby amended as follows:

b) Travel Expenses – the amount authorized to cover hotel/lodging rate, meals and incidental expenses excluding transportation expenses going to and from the destinations.

c) Hotel/Lodging Rate – the daily hotel/lodging cost including the prescribed taxes and service charges.

SEC. 2. Sections 2 and 3 are hereby renumbered as Section 3 and Section 4, respectively.

LIST OF REQUIRED DOCUMENTS FOR PROCESSING OF PO/DO

1. Replenishment of Petty Cash Fund
 - Petty Cash Voucher duly accomplished and signed
 - Summary of Petty Cash Voucher
 - Required supporting documents

2. Local Travel /Cash Advances
 - Approved Travel Order/Itinerary of Travel/OB
 - Special Order (in case of seminar)
 - Plane fare/boat fare/bus fare tickets
 - Terminal fee receipts, if any
 - Porterage fee receipts, if any
 - Certificate of travel completed, duly approved by the Executive Director
 - Trip ticket (if using LCDFI vehicle)
 - Toll receipts
 - Reimbursement Expense Receipt duly accomplished and signed by taxi driver stating name, address, residence certificate number, number of taxi and actual route of travel (for taxi fare of more than P75.00 per existing COA rules)
 - Certificate of Appearance duly signed by the person visited
 - Approved justification for the extension of travel in case a trip has been extended

3. Power, Light and Water
 - Statement of Account/Bill
 - Invoice/OR or machine-validated statement of account/bill (for post-audit)
 - BIR Form 2306 & 2307

4. Communication
 - Statement of Account/Bill
 - Invoice/OR or machine-validated statement of account/bill (for post-audit)
 - BIR Form 2306 & 2307

5. Rent
 - Statement of Account/Bill, if there's any, or as explicitly agreed in Contract of Lease
 - OR (for post-audit)
 - BIR Form 2306 & 2307


6. Rent (Photocopier)
 - Statement of Account/Bill
 - OR (for post-audit)

ANNEX 7.1

FREQUENCY	TITLE	DEADLINE
Monthly	Bank Reconciliation Statement	5 th Working day after end of the month
Monthly	Accounting Schedules	5 th Working day after end of the month
Monthly	Schedule of Investments	5 th Working day after end of the month
Quarterly	Report on Salaries and Allowances	7 th Working day after end of the Quarter
Quarterly	Inventory of Properties and or rights	7 th Working day after end of the Quarter
Quarterly	Cash Advances Monitored	7 th Working day after end of the Quarter
Quarterly	List of Officials and employees with outstanding Cash Advance 50,000 and above aged 30 days or over	7 th Working day after end of the Quarter
Quarterly	Report on Government Projects/ Programs/Activities	7 th Working day after end of the Quarter
Quarterly	Budget Variance	15 th Working day after end of the Quarter
Monthly	Trial Balance	7 th Working day after end of the month
Quarterly	Statement of Assets, Liabilities and Fund Balances	10 th Working day after end of the Quarter
Quarterly	Statement of Revenues, Expenses And Changes In Fund Balances	10 th Working day after end of the Quarter
Yearly	Cash Flow Statement	10 th Working day after end of the month
Quarterly	Notes to Financial Statement	10 th Working day after end of the Quarter

Annex 9.1

Classification	Composition	Initial Investment
Furniture and fixtures	<ul style="list-style-type: none">• Desk tables and chairs	Acquisition cost including bringing the asset to the location
Information Technology Equipment	<ul style="list-style-type: none">• Hardware and peripheral devices, auxiliary equipment, preloaded software, such as but not limited to operating systems, databases	Acquisition cost including delivery, handling, installation, testing and all other expenses necessary to make the system operational.
Other Office Equipment	<ul style="list-style-type: none">• Calculators• Personal Computers• Scanners	Acquisition cost including bringing the asset to the location
Leasehold Rights and Improvements	<ul style="list-style-type: none">• Buildings and/or improvements introduced on premises leased by the Foundation.	Construction cost plus the cost of leasehold rights and other expenditures incurred in making the premises ready for use.

 LANDBANK COUNTRYSIDE DEVELOPMENT FOUNDATION, INC.	PETTY CASH FUND VOUCHER	PCF NO.
	PETTY CASH FUND RECEIPT	
RECEIVED FROM: PCF Custodian	Date	
THE SUM OF		
PURPOSE/S:		
RECEIVED BY: SIGNATURE OVER PRINTED NAME	APPROVED BY: Executive Director	
LIQUIDATION STATEMENT	DATE:	
TOTAL AMOUNT PER ABOVE PETTY CASH FUND RECEIPT	Php	
LESS: ACTUAL EXPENSES	Php	
AMOUNT REFUNDABLE/(PAYABLE)	Php	
PAYEE: SIGNATURE OVER PRINTED NAME	APPROVED BY: SIGNATURE OVER PRINTED NAME	AUDITOR: SIGNATURE OVER PRINTED NAME

FOR : **ACCOUNTING UNIT**
FROM : **EXECUTIVE DIRECTOR**
DATE :
SUBJECT : Salary Deduction

Please effect salary deduction on the following LCDFI personnel for their disallowed and/or unliquidated cash advances effective immediately.

NAME	AMOUNT (Outstanding Cash Advance)
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For your appropriate action.

Executive Director

MEMORANDUM

FOR :
FROM :
DATE :
SUBJECT : Unliquidated Petty Cash Fund Advances

This refers to your Petty Cash Fund Advances as follows:

<u>DATE TAKEN</u>	<u>AMOUNT</u>	<u>PARTICULARS</u>	<u>REMARKS</u>
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Please be informed that you have not complied with the three (3) working days required date of liquidation. In this regard, based on the guidelines on Petty Cash Fund, expenses incurred from the unliquidated cash advances is subject for disallowances.

You have one (1) day to respond to this memorandum and justify non-compliance, otherwise your advances in the amount of _____, shall be charged to your salary effective _____.

For strict compliance, please.

Petty Cash Custodian

LANDBANK COUNTRYSIDE DEVELOPMENT FOUNDATION, INC.
BANK RECONCILIATION STATEMENT
CA No.0000-1021-20
As of October 31, 2015

	<u>Book</u>	<u>Bank</u>
Unadjusted balances	xxxxxx	xxxxx
Add (Deduct) Reconciling items:		
Deposit In Transit		
-		
-		
Outstanding Checks		
-		
-		
No Sufficient Fund Checks		
-		
-		
Service Charges		
-		
-		
Interest Income		
-		
-		
Errors		
-		
-		
Others		
-		
-		
Adjusted balances	xxxxxx	xxxxx
	Proof	-
TOTAL		
Prepared by:	Approved by:	
Bookkeeper	Executive Director and/or Corporate Treasurer	
Checked by:		
Accountant/Finance Specialist		

INSPECTION & ACCEPTANCE REPORT

LANDBANK COUNTRYSIDE DEVELOPMENT FOUNDATION, INC.
(Agency)

Supplier _____ PRF # _____

P.O.No: _____ Date : _____ Invoice No. _____

Requisitioning Office/ Dept. _____

Stock No.	Unit	DESCRIPTION	Quantity

INSPECTION

ACCEPTANCE

Date Inspected : _____

Date Received : _____

Inspected, verified and found in order
as to quantity and specifications

Complete

Partial (pls. specify quantity)

Inspected by:

Supply Officer/Property Custodian