



Republic of the Philippines
Department of Agriculture

SUGAR REGULATORY ADMINISTRATION

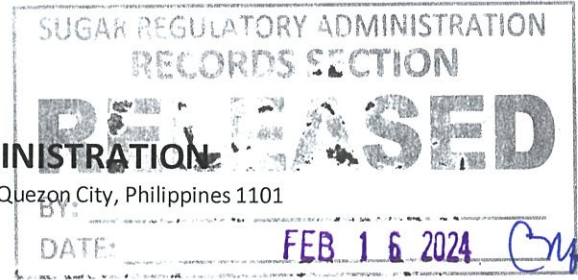
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MEMO-AFD-ACC-2024-Feb-031

MEMORANDUM ORDER NO. 2

Series of 2024

TO : **ALL EMPLOYEES**

FROM : **ATTY. BRANDO D. NOROÑA**
Deputy Administrator II for Administration and Finance

SUBJECT : **GUIDELINES FOR THE GRANT AND LIQUIDATION OF CASH
ADVANCES TO SPECIAL DISBURSING OFFICERS**

DATE : **February 7, 2024**

RATIONALE

Granting cash advances is a common transaction for employees of the Sugar Regulatory Administration, facilitating the procurement of supplies and semi-expendable properties, the conduct of official events and meetings, the implementation of various projects, and other official purposes. The entire process, from the request to full liquidation and derecognition, is strictly guided by rules and regulations, considering the importance of effectively and efficiently using government funds. However, due to the inherent complexity of such transactions, confusion and frequent queries arise, causing inconvenience among requesting employees and the Accounting Division.

These guidelines establish the procedures for processing cash advances for special disbursing officers and employees of the Sugar Regulatory Administration, aiming to eliminate inconsistencies encountered during the regular granting, pre-auditing, recognizing, and reporting of cash advance transactions and to serve as a comprehensible guide for official use.

GENERAL GUIDELINES

Cash advances are generally granted to permanent employees who are properly secured with a bond from the Bureau of the Treasury and are known as special disbursing officers (SDOs). They are obligated to utilize the entrusted funds for the purpose stated in their special order and to liquidate



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the cash advance after its purpose has been served within the allowed timeframe. To ensure compliance with the rules, the following shall be consistently observed:

1. A fidelity bond is required for all cash advances, except those amounting to P5,000 or below.
2. Cash advances of any amount granted for official travel, both local and foreign, shall not require bonding of the traveling official or employee.
3. 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.
4. Transfer of cash advance from one SDO to another shall not be allowed.
5. Strict compliance with the liquidation of cash advances within the allowed time period shall be ensured.

PROCEDURAL GUIDELINES

The following procedures shall be consistently followed in granting and liquidating cash advances:

1. Qualified employee/s who will act as special disbursing officer (SDO) must be properly recommended/endorsed by the head of the department where said employee is assigned or designated. Said recommendation/endorsement shall be transmitted to the Budget and Treasury Division for application.
2. A special order designating an employee as an SDO shall be signed and issued by the authority before the fidelity bond application can be processed.
3. After securing a fidelity bond, the SDO is eligible for cash advances, limited only to the purpose specified in the special order and the maximum amount of accountability. If there is a sudden need to change the purpose, it shall be reflected in another special order to replace the old one.
4. A safety box and cash book shall be provided by the Budget and Treasury Division to safekeep and maintain a record of the amount being held by an SDO.
5. The SDO shall be responsible in preparing the disbursement voucher whenever a cash advance is needed, to be certified by the Accounting Division that previous cash advances have been fully liquidated and accounted for in the books.
6. Every cash advance is subject to the documentary requirements for disbursement and liquidation laid down in Commission on Audit Circular No. 2023-004. Common attachments to the disbursement voucher include the:
 - a) Special order of the SDO designation,
 - b) Approved Budget for COE of the agency field office or agency activity in the field
 - c) Duly approved Office Order/Travel Order and Itinerary of Travel, and/or letter of invitation of the host/sponsoring agency/organization, for local travels.
 - d) Duly approved Office Order/Travel Order and Itinerary of Travel, and/or letter of invitation of the host/sponsoring country/agency/organization, and where applicable, authority to claim representation expenses, for foreign travels.
7. The liquidation of cash advances shall be completed by the SDO as soon as its purpose has been served or within the allowed timeframe, as follows:
 - a) Within thirty (30) days after the purpose of the cash advance has been accomplished.
 - b) Within sixty (60) days after return to the Philippines in the case of foreign travel or within thirty (30) days after return to their permanent official station in the case of local travel.
8. If there are unused cash advances, the SDO must refund the amount to the Cashier who shall then issue an official receipt to acknowledge the transaction. This official receipt shall be attached to the liquidation report.

9. Should the Accounting Division suspend the liquidation report due to any deficiencies in the documentary requirements, the SDO must address these promptly. The revised report must be resubmitted within fifteen (15) days from the date of receiving the suspension notice and report.
10. When a cash advance is no longer needed or remains unused for a period of two (2) months, it must promptly be returned or refunded to the Cashier.
11. All cash advances must be fully settled at the end of each year. Except for petty cash funds, any remaining balance shall be refunded by the SDO to the Cashier. At the start of each year, a new cash advance may be granted, contingent upon the submission of an expense report detailing the utilization of the previous cash advance. However, failure to submit a liquidation report for the prior cash advance by January 20 will result in the withholding of the SDO's salary.
12. Upon cessation of duties as an SDO, the cashbook must be submitted to the Accounting or Budget and Treasury Division. This submission is essential as it becomes part of the official accounting records. No clearance shall be issued to the SDO if he fails to submit the cashbook as required.

PENAL PROVISIONS

Article 217 of the Revised Penal Code stipulates that if a public officer does not properly account for public funds or property entrusted to them, upon demand by authorized personnel, constitutes prima facie evidence of misappropriation for personal use.

Failure to liquidate cash advances within the prescribed period by a Special Disbursing Officer (SDO) may prompt the Accounting Division to demand immediate liquidation, withhold salary, and apply relevant sanctions.

Furthermore, in accordance with Civil Service Commission Memorandum Circular No. 23, s. 2019, penalties for non-compliance may include suspension from government service for a period ranging from one (1) month and one (1) day to six (6) months, or dismissal, contingent upon the severity of the offense, classified as Simple or Gross Neglect of Duty.

It is imperative for all personnel to adhere strictly to these regulations to maintain the integrity and accountability of public office. Non-compliance will result in appropriate disciplinary action.

Any queries or concerns related to this memorandum can be communicated to the Accounting Division through any means.

For information and strict compliance.