



Republic of the Philippines
Department of Education

REGION I
SCHOOLS DIVISION OF THE CITY OF BATAC

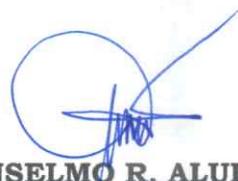
04 FEB 2026

OFFICE MEMORANDUM
OSDS-2026-012

To: Assistant Schools Division Superintendent
Chief Education Supervisors
Unit and Section Heads
All Others Concerned

**GUIDELINES AND PROCEDURE ON THE GRANT, UTILIZATION,
REPLENISHMENT, AND LIQUIDATION OF THE PETTY CASH FUND**

- Under the provisions of COA Circular No. 2015-007 dated October 22, 2015, entitled: "Prescribing the Government Accounting Manual for Use of National Government Agencies" and COA Circular 2012-001 entitled: "Prescribing the Revised Guidelines and Documentary Requirements for Common Government Transactions", this office issues the **Guidelines and Procedure on the grant, utilization, replenishment, and liquidation of the Petty Cash Fund**.
- To facilitate the judicious and timely utilization and liquidation of the petty cash fund, the SDO Officials and employees are directed to follow the set guidelines and procedures on the grant, utilization, replenishment, and liquidation of the Petty Cash Fund.
- Attached are the Procedural Guidelines and Procedure on the grant, utilization, replenishment, and liquidation of the Petty Cash Fund, sample form of the Petty Cash Voucher, Purchase Request, Process flow for the petty cash disbursements, and the legal references.
- Effective immediately.


ANSELMO R. ALUDINO
Schools Division Superintendent

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THE PETTY CASH FUND
260001/February 3, 2026



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**GUIDELINES AND PROCEDURE ON THE GRANT, UTILIZATION,
REPLENISHMENT, AND LIQUIDATION OF THE PETTY CASH FUND**

The Petty Cash Fund

Introduction

Under COA Circular No. 2015-007 dated October 22, 2015, entitled: "Prescribing the Government Accounting Manual for Use of National Government Agencies" and COA Circular 2012-001 entitled: "Prescribing the Revised Guidelines and Documentary Requirements for Common Government Transactions", this "**GUIDELINES AND PROCEDURE ON THE GRANT, UTILIZATION, REPLENISHMENT, AND LIQUIDATION OF THE PETTY CASH FUND**" is written to standardize the process of petty cash fund grant, utilization, replenishment, and liquidation, as well as the responsibility of the requesting office and accountability of the Petty Cash Fund Custodian.

Background

Petty Cash Fund refers to the amount granted to the Petty Cash Fund Custodian to pay authorized petty or miscellaneous expenses that cannot be conveniently paid through checks/LDDAP-ADA.

The PCF is maintained under the imprest system, as outlined in the Government Accounting Manual. It is handled by a designated PCF Custodian, where cash on hand and unreplenished expenses should equal the approved amount of funds. As such, all replenishments are directly charged to the expense account. The PCF shall be replenished as soon as disbursements reach at least 75% or as needed.

The PCF was initially established at the Cash Unit in the amount approved by the Schools Division Superintendent and the Cashier was the concurrent PCF Custodian to disburse funds to the requesting office for the immediate purchase of goods and/or services but not for regular inventory items for stocking.

COA Circular No. 2015-007 or the Government Accounting Manual, Sections 35 and 38, and COA Circular 2012-001 or the Revised Guidelines and Documentary Requirements for Common Government Transactions provide accounting policies regarding the cash advance, documentary requirements, and procedure for disbursements through petty cash.



Republic of the Philippines
Department of Education

REGION I
SCHOOLS DIVISION OF THE CITY OF BATAC

Definition of terms

Service Invoice / Sales Invoice	It is issued for the payment of goods or products purchased from a supplier, or services availed from a service provider.
Government Accounting Manual	Updated and consolidated rules and regulations on financial management and operation of national government agencies, LGUs, and government-owned or controlled corporations and their subsidiaries.
Invoice	It may include Sales Invoice, Whole Sales Invoice, Billing Invoice, etc. (should be BIR compliant/ATP)
Official Receipt (OR)	It is issued in payment for services rendered.
Petty Cash Fund (PCF)	It refers to the amount granted to a duly designated Petty Cash Fund Custodian for payment of authorized petty or miscellaneous expenses which cannot be conveniently paid through checks/LDDAP-ADA.
Petty Cash Voucher (PCV)	It is a form issued by the PCF Custodian and shall be approved by authorized officials and signed by the payee to acknowledge the amount received.
Certificate of Urgent Purchase	It is a certification issued by the Head of Office/ immediate supervisor of the Requesting Officer instead of the Canvass and Abstract of Canvass while on official travel.
Waste Materials Report	This is a report signed by the Supply Officer and inspectors, and a witness to the disposition of parts replaced.
Inspection and Acceptance Report	The IAR is a report submitted by the Inspection Officer/Committee and the Supply and/or Property Custodian, respectively, on the inspection and acceptance of the purchased supplies/goods/equipment/property.
Urgent Repair	A fix that is needed immediately to prevent significant risk to health, safety, property, or essential services, making a place unsafe or not secure, major roof leak, water pipe leak, blocked toilet, or loss of power and other circumstances affecting the operation of the division office.
Certificate of Urgent	A Certification made by the end-user on the



Republic of the Philippines
Department of Education
REGION I
SCHOOLS DIVISION OF THE CITY OF BATAC

Repair

urgency of repair made

General Guidelines on the Grant, Utilization, Replenishment, And Liquidation of the Petty Cash Fund

- I. The COA Circular No. 2015-007 dated October 22, 2015, entitled: "Prescribing the Government Accounting Manual for Use of National Government Agencies" provides guidelines on the Utilization and liquidation of Petty Cash Fund.

Sec. 35 Cash Advance for Petty Operating Expenses.

The Petty Cash Fund (PCF) to be set up shall be sufficient for the recurring petty operating expenses of the agency for one month. It shall be maintained using the Imprest System. All replenishments shall be directly charged to the expense account and at all times, the PCF shall be equal to the total cash on hand and the unreplenished expenses. The PCF shall be replenished as soon as disbursements reach at least 75% or as needed. The following are the accounting policies regarding cash advances for PCF:

- a. *The fund shall be kept separately from the regular cash advances/collections and shall not be used for payment of regular expenses such as rentals, subscriptions, light and water bills, purchase of supplies and materials for stock purposes, and the like. Payments out of PCF, which shall be made through a Petty Cash Voucher (PCV) (Appendix 48), should be allowed only for amounts not exceeding P15,000 for each transaction, except when a higher amount is allowed by law and/or specific authority by the COA. Splitting of transactions to avoid exceeding the ceiling shall not be allowed. All disbursements out of PCF shall be covered by a duly accomplished and approved PCV supported by cash invoices, ORs or other evidence of disbursements.*
- b. *The unused balance of the PCF shall not be closed/refunded at the end of the year. The fund shall be closed only upon termination, separation, retirement, or dismissal of the Petty Cash Fund Custodian (PCFC), who in turn shall refund any balance to close his/her cash accountability; and*
- c. *At the end of the year, the PCFC shall submit to the Accounting Division/Unit all unreplenished Petty Cash Vouchers (PCVs) for recording in the books of accounts.*



Republic of the Philippines
Department of Education
REGION I
SCHOOLS DIVISION OF THE CITY OF BATAC

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 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 P5,001 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 Petty Cash Fund*
 1. *Report on Paid Petty Cash Vouchers (RPPCV) (Appendix 49);*
 2. *Approved purchase request with certificate of Emergency Purchase/Certificate of Urgent 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 documents that may be required.*

II. The officers, employees, and staff, including ALS teachers, must follow the Procedure on Request and Liquidation of Petty Cash Fund as indicated in the following section of this memorandum.

III. The requesting officer/personnel must follow existing rules and guidelines on the procedure for the inspection and acceptance of procured goods.



Republic of the Philippines
Department of Education
REGION I
SCHOOLS DIVISION OF THE CITY OF BATAC

IV. For petty cash advances, liquidation of petty expenses must be submitted right after the activity is conducted. Unliquidated petty cash advances within 5 days must be returned to the Petty Cash Fund Custodian.

V. Reimbursement of expenses is allowable within 10 calendar days from the date of the official/collection receipts or invoices for the employees stationed in the SDO Old Building and Annex Building, while reimbursement of expenses is allowable within 15 calendar days from the date of the official/collection receipts or invoices for the ALS Teachers/ itinerant employees. However, all reimbursements must be processed and liquidated within the current year to avoid nonpayment of the said reimbursements.

VI. **Common Allowable Expenses**

1. Office supplies - pens, paper, folders, envelopes, ink, staplers, etc. provided there's certification issued by Asset Management Unit on the unavailability of supplies requested.
2. Minor repairs and maintenance-light fixtures, doorknobs, minor plumbing/electrical repairs
3. Transportation expenses - fares for official errands, deliveries, or document submission; with certification coming from Administrative Services of non-availability of drivers/vehicles or both
4. Postage and courier fees
5. Printing, photocopying, and document reproduction
6. Meals or snacks for official meetings/trainings-subject to COA and agency guidelines
7. Urgent Purchases needed to prevent work disruption. Certification of Urgency by Functional Division Head
8. Small tools and consumables
9. Cleaning and sanitation supplies
10. Other minor operational expenses within the approved PCF limit

VII. **Expenses NOT Allowed Under Petty Cash**

1. Salaries, wages, or honoraria
2. Large purchases requiring procurement bidding
3. Capital outlay (equipment, furniture, computers)
4. Personal expenses
5. Advances for travel requiring Travel Orders
6. Expenses without official receipts/supporting documents



Republic of the Philippines
Department of Education

REGION I
SCHOOLS DIVISION OF THE CITY OF BATAC

VIII. Supporting Documents

1. Office Supplies
 - a. Sales Invoice
 - b. Inspection and Acceptance Report
 - c. Requisition and Issue Slip
 - d. Certification from Asset Management Unit on unavailability of supplies requested
2. Minor repairs and maintenance
 - a. Waste Material Report
 - b. Pre and Post Inspection
 - c. Sales Invoice (for replacement of items) / Service Invoice (for labor/repair costs)
3. Transportation Expenses
 - a. Itinerary of Travel
 - b. Certificate of Travel Completed
 - c. Certificate of Expenses Not Requiring Receipts (Annex A)
 - d. Locator Slip
4. Postage / Courier Services
 - a. Official Receipt/ Service Invoice
5. Printing/ Photocopying
 - a. Service Invoice/ Official Receipt, etc.
 - b. For Tarpaulin printing, the sample image
 - c. Inspection and Acceptance Report
 - d. Requisition and Issue Slip , if any
6. Meals or snacks
 - a. Notice of Meeting/ Memorandum
 - b. Sales Invoice/Service Invoice, etc
 - c. Attendance Sheet
 - d. Inspection and Acceptance Report
7. Urgent Purchases needed to prevent work disruption
 - a. Notice of Power Interruption or Certification form General Services Unit regarding unannounced power loss
 - b. Sales Invoice
 - c. Inspection and Acceptance Report
8. Cleaning and Sanitation Supplies
 - a. Sales Invoice
 - b. Inspection and Acceptance Report
 - c. Requisition and Issue Slip
 - d. Certification from Asset Management Unit on unavailability of supplies requested
9. Small tools and consumables
 - a. Sales Invoice
 - b. Inspection and Acceptance Report
 - c. Requisition and Issue Slip



Republic of the Philippines
Department of Education
REGION I
SCHOOLS DIVISION OF THE CITY OF BATAC

d. Certification from Asset Management Unit on unavailability of supplies requested

10. Urgent Purchases (for employees/ officials on official business)

- Certification of Urgency of Purchases made (by the employee/official)
- Sales Invoice
- Inspection and Acceptance Report

NOTE: Additional Supporting documents for expenses above Php 1,000.00

1. Request for Quotation
2. Abstract of Canvass/Quotation
3. Approved purchase request for types of transactions

Step-by-Step Procedure on Petty Cash Disbursement

Request for Petty Cash Fund		
Area of Responsibility	Seq. No.	Activity
Requesting Officer	1	The requesting officer shall prepare the Purchase Request
Immediate Supervisor	2	The immediate supervisor shall sign the Purchase Request
Requesting Officer	3	The requesting officer shall present the Purchase Request to the Budget Unit (for funding under the program support fund, if any)
Requesting Officer	4	The requesting officer shall forward the Purchase Request to the Head of Agency for approval
Head of Agency	5	The head of the agency shall approve the release of the Purchase Request or disapprove of the same if the request is found not in compliance with existing rules and regulations

Utilization of Petty Cash Fund		
Area of Responsibility	Seq. No.	Activity
Requesting Officer	1	The requesting officer prepares Petty Cash Voucher (PCV) in 3 copies and accomplishes Box I Columns "Particulars" and "Amount" and signs Box A the PCV
Requesting Officer	2	The requesting officer forwards the PCV to Head of Agency for approval
Head of Agency	3	The head of agency approves the PCV
Requesting Officer	4	The Requesting Officer presents the PCV to the Petty Cash Fund Custodian



Republic of the Philippines
Department of Education

REGION I
SCHOOLS DIVISION OF THE CITY OF BATAC

Petty Cash Fund Custodian	5	<p>The Petty Cash Fund Custodian receives duly approved PCV, and releases the corresponding amount requested if the petty cash fund can still cover the amount requested, and signs "Paid by" Portion. The requesting officer receives petty cash and signs in Box B "Cash Received by" portion of the PCV.</p> <p>If the petty cash fund cannot cover the amount requested, the Requesting Officer proceeds to the purchase of goods/services, and the expenses will be reimbursed once the petty cash fund is available</p>
Petty Cash Fund Custodian	6	The Petty Cash Fund Custodian issues Copy 3 of the PCV to the Requesting Officer and files the remaining PCV copies awaiting liquidation
Requesting Officer	7	The requesting officer proceeds with the procurement of goods/services
Division Inspectorate Team	8	The Division Inspectorate Team (DIT) inspects purchased goods
Asset Management Unit	9	Prepare the Inspection and Acceptance Report, and the DIT will sign the IAR.
Requesting Officer	10	The IAR will be attached to the PCV, including the proofs of payment to the original and Copy 2 of PCV.

Liquidation of Cash Advance from PCF

Area of Responsibility	Seq. No.	Activity
Requesting Officer	11	Submits PCV with the complete set of supporting documents (SD) to the Petty Cash Fund Custodian
Petty Cash Fund Custodian	12	<p>Checks and reviews of the completeness of documents, such as the date, amount, and nature of expenses paid as shown in the SDs.</p> <p>If incomplete, return to the Requesting Officer for completion of needed SDs.</p>
Petty Cash Fund Custodian	13	If complete, retrieve the original PCVs from the file and fill 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
Petty Cash Fund Custodian	14	Check the appropriate boxes for "Received Refund" or "Reimbursement Paid" portion and signs Box C of the CGPC
Requesting Personnel	15	Checks and fills up the appropriate boxes for "Liquidation Submitted by" and "Reimbursement Received by" upon submission of necessary SDs and



Republic of the Philippines
Department of Education
REGION I
SCHOOLS DIVISION OF THE CITY OF BATAC

		receipt or reimbursement of cash, if any, and signs Box D of the CGPC.
Petty Cash Custodian	16	Returns Copy 3 of the PCV to the Requesting Officer and files Copies 1 and 2 of the said form for replenishment
end		



Republic of the Philippines
Department of Education

REGION I
SCHOOLS DIVISION OF THE CITY OF BATAC

Request for Petty Cash Fund

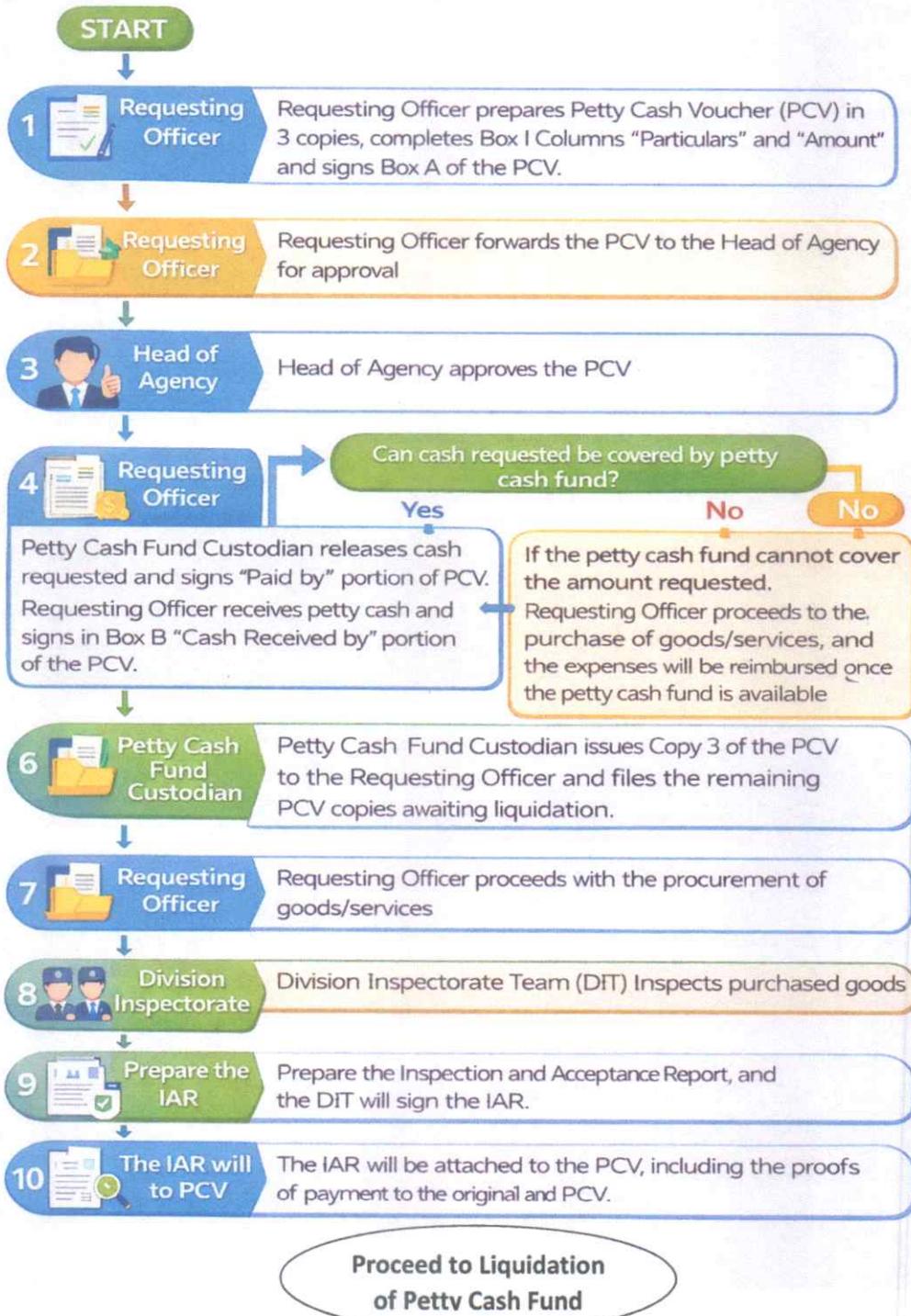




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Department of Education

REGION I
SCHOOLS DIVISION OF THE CITY OF BATAC

Utilization of Petty Cash Fund

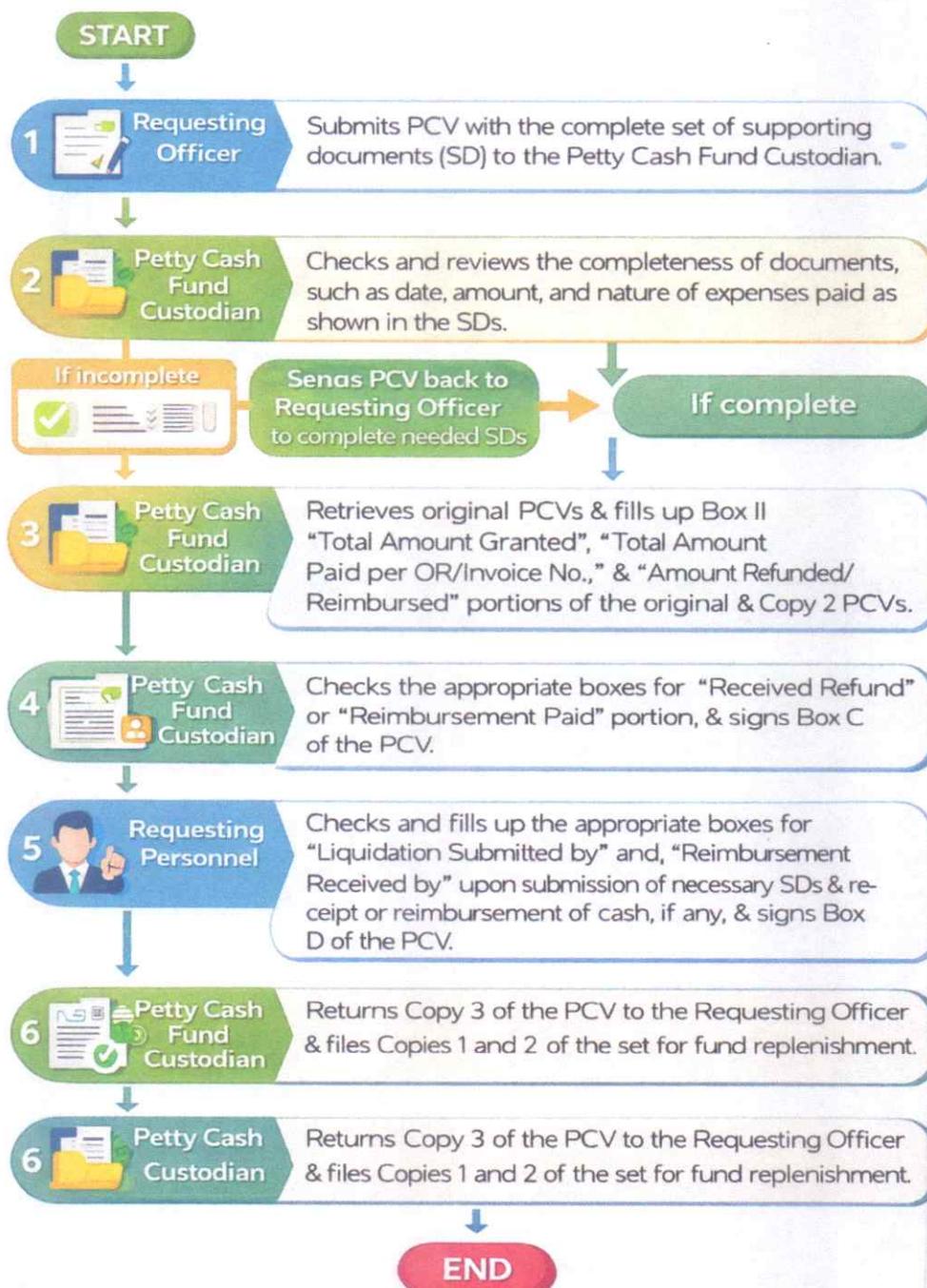




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REGION I
SCHOOLS DIVISION OF THE CITY OF BATAC

Liquidation of Cash Advance from PCF





Republic of the Philippines
Department of Education

REGION I
SCHOOLS DIVISION OF THE CITY OF BATAC

Appendix 60

PURCHASE REQUEST

Entity Name: _____		Fund Cluster: _____			
Office/Section : _____		PR No.: _____		Date: _____	
		Responsibility Center Code : _____			
Stock/ Property No.	Unit	Item Description	Quantity	Unit Cost	Total Cost
	PC	TARPAULIN (4M X 8 M)		1 800.00	800.00
					800.00

Purpose:
Printing of tarpaulin to be used during mass signing of appointments

Requested by:	Approved by:
Signature :	
Printed Name : JOEL P. MALUNAO	
Designation : Administrative Officer V	
Printed Name : ANSELMO R. ALUDINO	
Designation : Schools Division Superintendent	

STAMP BY BUDGET UNIT

PETTY CASH VOUCHER		No. : _____
Entity Name : DEPARTMENT OF EDUCATION SCHOOLS DIVISION OF THE CITY OF BATAC		Date : January 5, 2026
Fund Cluster: _____		
Payee/Office : JOEL P. MALUNAO/ Administrative Services Address : City of Batac		Responsibility Center Code: _____
I. To be filled out upon request		II. To be filled out upon liquidation
Particulars	Amount	
to pay for the 4 x 8 tarpaulin to be used during mass signing of Appointments	800.00	Total Amount Granted 800.00
		Total Amount Paid per OR/Invoice No. 1250565 800.00
		Amount Refunded/ (Reimbursed) _____
A Requested by:	C	
JOEL P. MALUNAO Signature over Printed Name Name of Requestor	<input type="checkbox"/> Received Refund <input type="checkbox"/> Reimbursement Paid	
Approved by:	D	
ANSELMO R. ALUDINO Schools Division Superintendent	JOEL P. MALUNAO Signature over Printed Name Administrative Officer IV	
B Paid by:	<input type="checkbox"/> Liquidation Submitted <input type="checkbox"/> Reimbursement Received by:	
MA. VERONICA A. CABANGISAN Signature over Printed Name Administrative Officer IV		
Cash Received by:		
JOEL P. MALUNAO Signature over Printed Name Payee Date: _____	JOEL P. MALUNAO Signature over Printed Name Payee Date: _____	



Republic of the Philippines
Department of Education
REGION I
SCHOOLS DIVISION OF THE CITY OF BATAC

INSPECTION AND ACCEPTANCE REPORT

Appendix 62

Original Copy - Supplier
Copy 2 - Accounting Unit
Copy 4 - Asset Management Unit

Doc. Tracking No.

*Sample only not valid



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Appendix 63

REQUISITION AND ISSUE SLIP

*Original Copy - Accounting Unit
Copy 2 - Requisitioning Division/Office's file
Copy 3 - Asset Management Unit*



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