



**FINANCE AND MANAGEMENT
SERVICE
GENERAL ADMINISTRATION AND SUPPORT
SERVICES GROUP**
DSWD-GF-004 | REV 01 / 12 OCT 2021

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MEMORANDUM

FOR : ALL HEADS OF OFFICES, BUREAUS, SERVICES AND UNITS
DSWD Central Office

THE REGIONAL DIRECTORS
DSWD Regional Offices I to XII, NCR, CAR and CARAGA

FROM : THE UNDERSECRETARY

SUBJECT : FINANCIAL MANAGEMENT GUIDELINES NO. 23 (2022):
ADDITIONAL REQUIREMENT AND GUIDELINES ON THE GRANTING,
UTILIZATION AND LIQUIDATION OF ALL CASH ADVANCES

DATE : 04 APRIL 2022

This is relative to the Administrative Order (AO) No. 13 series of 2021, Guidelines on the Rules and Regulations in Granting, Utilization and Liquidation of All Cash Advances and the Penalties for Failure to Liquidate within the Prescribed Reglementary Periods.

The said order was issued to prescribe guidelines and procedures on the granting of cash advances to officials and employees as well as to designated Disbursing Officers including the utilization and liquidation of these cash advances in accordance with the government budgeting, accounting and auditing rules and regulations.

As part of the compliance to the management directive of continual improvement, the following supplemental guidelines are hereby prescribed, to wit:

1. In addition to the documentary requirements stated at Section 1 of the AO 13, series of 2021, all requests for cash advances **must be supported with a payout plan** or schedule of payout duly signed and approved by the Head of the requesting office. Revision or changes on the scheduled payout dates shall also be approved by the Head of the program/office.
 - 1.1 For Central Office, the approving authority shall be the Cluster Head.
 - 1.2 For Field Offices, the approving authority shall be the Assistant Regional Director for Operations or the Regional Director on his/her absence.
2. For petty operating expenses¹ and field/activity current operating expenses², the amount of cash advance being requested shall only be limited to the operating requirements **equivalent to one or two months**³ subject to replenishment as frequently as necessary during the year. (Section 4.4.2 of the COA Circular 97-002)

¹ Consists of **small payments** for maintenance and operating expenses (MOOE) which cannot be paid conveniently by check or are required to be paid immediately. (Section 3.1.4 of the COA Circular 97-002)

² Current operating expenditures of the agency/field office or of the activity of the agency undertaken in the field when it is impractical to pay the same by check. (Section 3.2.1 of the COA Circular 97-002)

³ For petty operating expenses, the cash advance shall be sufficient for the recurring expenses of the agency **for one month**, while for field/activity current operating expenses, the amount of the cash advance shall be limited to the requirements **for two months**. (Section 4.3.1 and 4.4.2 of the COA Circular 97-002)



3. The deadline to submit liquidation reports and supporting documents for payout of programs/projects should be **soon after the payout or thirty (30) calendar days** after the scheduled last payout date (Section 2.2.6 of AO 13 s. 2021) unless a different timeline has been specifically authorized by the Commission on Audit (COA). Monitoring reminders before the deadline to submit liquidation will be sent by the Accounting Division/Section to the concerned Disbursing officer. Demand letters will likewise be issued after the deadline for outstanding unliquidated cash advances.
4. As a general guideline based on the Section 4.1.2 of the COA Circular 97-002, no additional cash advance shall be allowed to any official or employee until the previous cash advance is first settled or after the full liquidation of accountability, unless there is an exemption authorized by COA. However, for petty operating expenses, the Disbursing officer may request replenishment of the cash advance when the disbursements reach **at least 75%, or as the need requires**, to avoid depletion of funds and continuity of operations (Section 4.3.1 of same circular).

For strict compliance.

ATTY. ADONIS P. SULIT, CESO II
Undersecretary for GASSG