

DRN: FMS-RPAD-A-L0MM-20-06-74983-C**MEMORANDUM FROM THE UNDERSECRETARY FOR GASSG**

**TO :** ALL HEADS OF OFFICES, BUREAUS, SERVICES AND UNITS  
CENTRAL OFFICE AND FIELD OFFICES

**ATTENTION :** CHIEF ACCOUNTANT, CENTRAL OFFICE  
REGIONAL ACCOUNTANTS

**SUBJECT :** FM GUIDELINES NO. 15, SERIES OF 2020 : IMPLEMENTING RULES ON  
ESTABLISHMENT AND USAGE OF PETTY CASH FUND

**DATE :** 23 JUNE 2020

To provide our Petty Cash Custodian with proper knowledge involving the establishment and usage of Petty Cash Fund (PCF), it is our concern to set the specific rules on the petty cash transactions.

Under the general principles of the imprest system of accounting for government transactions, only payments in small amounts may be made through the petty cash fund. Replenishment of the petty cash fund shall be equal to the total amount of expenditures made there from.

The replenishment of petty cash fund must be initiated once the total disbursements reached 75% of the fund, which shall be supported with duly accomplished Report on Paid Petty Cash Vouchers (RPPCV), Appendix 49 and Petty Cash Vouchers (PCV), Appendix 48, attached to the Disbursement Voucher. Thus, the minimum supporting documents must include the following:

1. Approved purchase request with certificate of Emergency Purchase, and non-availability of stocks as indicated in RIS, if necessary;
2. Bills, receipts, sales invoices;
3. Inspection and Acceptance Report (IAR), Appendix 62;
4. Waste Material Report (WMR), Appendix 65 in case of replacement/repair;
5. Approved Trip Ticket, for gasoline/fuel expenses;
6. Canvass from at least three suppliers for purchases involving P1,000 and above, except for purchases made while on official travel; and
7. Summary/Abstract of Canvass.

While the Petty Cash Custodians are charged with the responsibility to monitor their respective petty cash transactions and to submit the required reporting documents in accordance with auditing and accounting rules and regulations, it is the duty of the head of offices, bureaus and services to direct them towards more effective control in the granting, utilization and liquidation of these funds.

At the end of each year, any unreplenished PCF shall be submitted to the Accounting Division for recording in the books of accounts and to determine any cash short or over on the PCF before the appropriate issuance of additional PCF. Therefore, the PCF shall not be closed at year-end, unless for reasons of retirement, separation or dismissal from the service of the Petty Cash Fund Custodian.

Please be guided accordingly.

  
**JOSE ERNESTO B. GAVIOLA**

JLMSC/JVB/CMC/223