	Liquidation of Official Cash Advance Policies and Procedures		Document Number: 2P-FIN-03.03
	Department: Finance	Effective Date: July 15, 2024	Revision No.: 3

Scope

This document covers the policies and procedures in processing and procedures for liquidation of official cash advance

Definition of Terms

Cash Advance Form is a form used to request a cash advance by employees prior to incurring business related activities.

Liquidation Form/ Expense Statement is a form used to liquidate expense.

Authority to Deduct is a form used to authorize company to deduct unliquidated advances from his/her salary.


Ownership

The Accounts Payable and Treasury Team is responsible for ensuring that this document is cascaded to all concerned personnel and that it reflects actual practice.

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Policies

1. All advances must be liquidated within 72 hours upon completion of transactions.
2. Expense statement form shall be properly accomplished (detailed description of expenses) by requesting employee for the liquidation of outstanding cash advance indicating the cash advance number.
3. The specific description or nature of expense, indicating the department to whom the expenses are chargeable.
 - Transportation – Description, purpose and date of travel
 - Travel – Destination, purpose and date of travel
 - Representation & PR – Purpose, name of customer/ contractor/ supplier to whom the representation is made, potential revenue or actual revenue.
 - Taxes & Licenses – nature of taxes, unit's plate number, warehouse/ office location
 - Repairs & Maintenance – unit's plate number, description, purpose of repair.
 - Operational – HWB, description and purpose
4. Liquidation of cash advance shall be properly approved by immediate leader/ department head.
5. All liquidation shall be properly supported by a supplier's **Sales Invoice / Service Invoice / Billing Invoice / secondary document Acknowledgement Receipt** issued for the account of F2 Logistics. Unreceipted expenditures shall not be allowed without the approval of immediate leader/ department head.
6. Non liquidation would subject to salary deduction.

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7. Any excess over the amount liquidated must be returned to the company and a Non-VAT Official Receipt shall be issued.
8. Liquidation report shall not be accepted if the excess cash advance is not remitted.
9. Any excess of the amount liquidated over the official cash advance shall be reimbursed by the company.

Procedures

This activity is initiated by receipt of cash advance liquidation

Requester Employee

1. accomplishes the expense statement form approved by immediate leader/ manager/ department head
2. Attaches supporting documents with receipts
3. remits unused cash advance and secure non-VAT OR
4. submits to Finance


Finance Assistant

5. receives, validates and reviews correctness and completeness of the expenses together with all supporting documents duly approved by manager/ department head in hardcopy or electronic form whichever is applicable.

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6. Ensures the liquidation report is properly supported by valid vendor **Sales Invoice / Service Invoice / Billing Invoice / secondary document Acknowledgement Receipt**, check for the accuracy of mathematical calculation.
7. Determines if the liquidation is equal, less than or exceeds actual cash advance
 - If liquidation is equal to cash advance, record the liquidation and apply the appropriate cash advance
 - If liquidation is less than **the** cash advance, check for the remittance of excess cash advance, ensure that the **Sales Invoice / Service Invoice / Billing Invoice / secondary document Acknowledgement Receipt** is attached to the expense statement form, record the liquidation and apply the appropriate cash advance.
 - If liquidation exceeds the cash advance, check if the **excess** amount is less than **₱ 2,000.00** disburse through Petty Cash. If more than **₱ 2,000.00** process check.
8. Receives hardcopy of cash advance liquidations with all supporting documents which was earlier sends electronically.

End of Activity

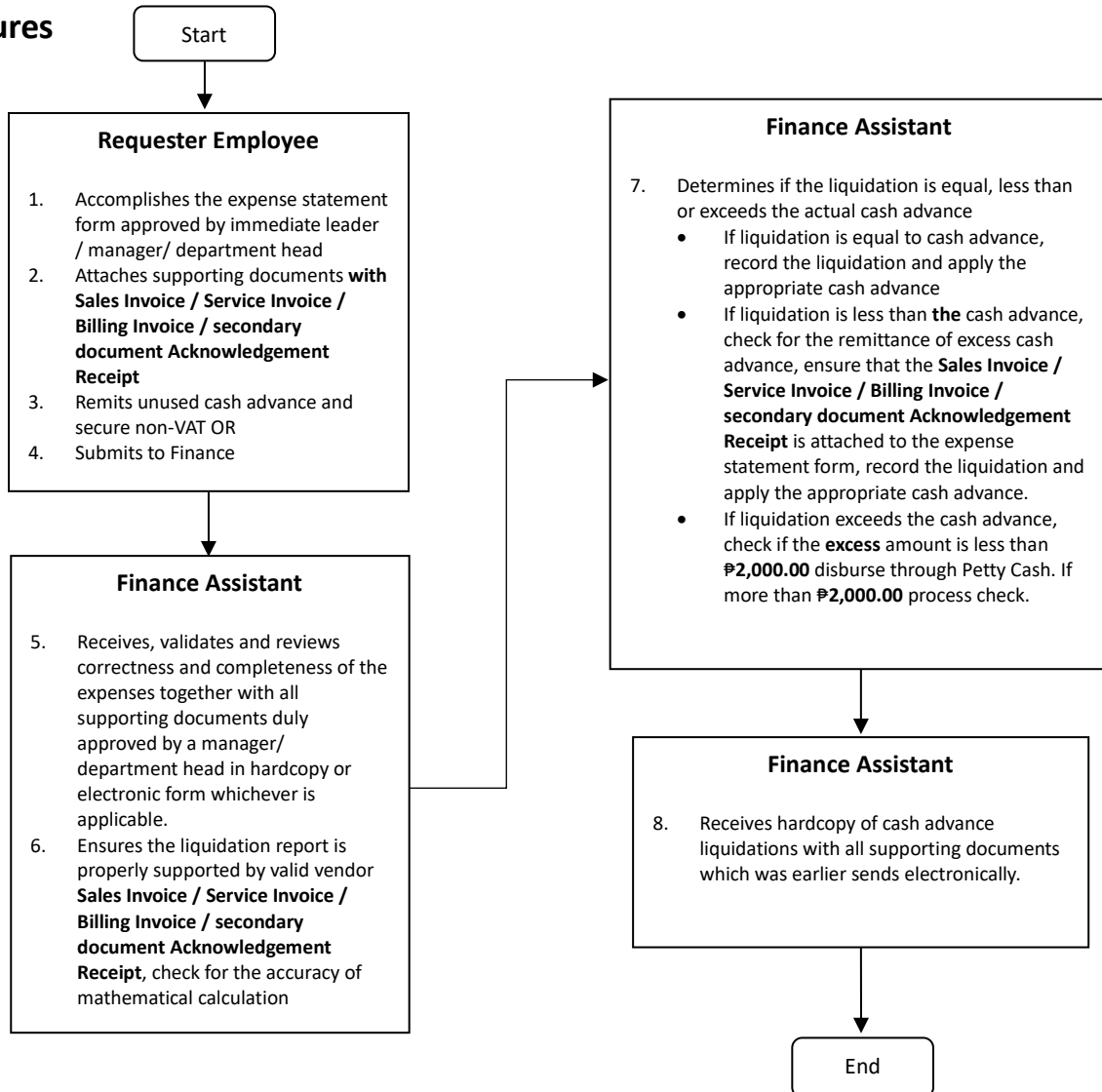
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Procedures



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