



**Administrative Order No. 13  
Series of 2021**

**SUBJECT: 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**

**I. RATIONALE**

The Department grants cash advances for the officials and employees travel expenses connected to the performance of official functions and responsibilities. The Department also grants cash advances to authorized Disbursing Officers for authorized special activities as well as pay-out of subsidies to beneficiaries.

The Department intends to rationalize the policies and standards to govern the granting of cash advances to officials and employees as well as Disbursing Officers and the utilization and liquidation of cash advances in accordance with the government budgeting, accounting, and auditing rules and regulations.

**II. LEGAL BASES**

These guidelines adopt the principle and facilitates the effective compliance of the following laws and regulations:

1. PD 1445 "Government Auditing Code of the Philippines" dated June 11, 1978.
2. Commission on Audit (COA) Circular No.97-002 dated February 10, 1997 on "Reinstatement with amendments of the rules and regulations on the granting, utilization and liquidation of cash advances provided under COA Circular No. 90-331 dated May 3, 1990". As further amended by COA Circular NO. 2006-005 dated June 13, 2006. This subsequent circular amended item 7.1 of COA Circular No. 97-002, which increased the bond required for accountable officers from P2,000.00 to P5,000.00.
3. COA Circular No. 2012-001 dated June 14, 2012 on "Prescribing the Revised Guidelines and Documentary Requirements for Common Government Transactions".
4. Government Accounting Manual for National Government Agencies, Volume I.
5. Civil Service Commission Memorandum Circular No. 23, series of 2019 or the "Revised Guidelines on the Settlement of Cash Advance and the Penalty to be Imposed for Failure of an Accountable Officer to Liquidate Cash Advance within the Reglementary Period.
6. Guidelines on the Grant of the Performance-Based Bonus (PBB) for Fiscal Year (FY) 2019 under Executive Order No. 80, s., 2012 and Executive Order No. 201, series of 2016.
7. DSWD Administrative Order (AO) No. 13, series of 2019 or the DSWD Implementing Rules and Regulations on Executive Order No. 77 Prescribing Rules and Regulations and Rates of Expenses and Allowances for Official Local and Foreign Travels of Government Personnel.
8. Executive Order No. 77, series of 2019 Prescribing Rules and Regulations and Rates of Expenses and Allowances for Official Local and Foreign Travels of Government Personnel.
9. COA Circular No. 2017-001 dated June 24, 2017, Re-imbusement of Expenses not requiring Official Receipts as clarified in COA Circular 2021-001 dated June 24, 2021, Clarification on the Use of Reimbursement Expense Receipt (RER) and Certification in Relation to Re-imbusement of Expenses not requiring Official Receipts (ORs)



### III. DEFINITION OF TERMS

- **Regular Cash Advances**- are those granted to cashiers, disbursing officers, paymasters, and/or property/supply officers for salaries and wages, commutable allowances, honoraria and other similar payments to DSWD officials and employees and petty operating expenses.
- **Special Cash Advances**- are those granted on the explicit authority of the DSWD Secretary or his/her authorized representative to duly designated disbursing officers or employees for other legally authorized purposes like current operating expenditures of DSWD Field Offices or activities undertaken in the field when impractical to pay by check and travel expenditures for official travel.
- **Accountable Officer** – pertains to DSWD officers and employees granted with cash advance and have duties to liquidate the same in accordance with the existing government rules and regulations.
- **Accountability** – holding the accountable officers answerable for the possession or custody of government funds.
- **Cash Disbursement Record** – maintained by each Accountable Officer to record all transactions for the day and reflects the cash advance balance.
- **Report of Cash Disbursement** – report prepared by accountable officer to liquidate his/her cash advances for the payment of expenses for authorized purpose.
- **Reglementary period** - required period of settlement of cash advance as stated/written in the policy guidelines and issuances.
- **Unclaimed funds** – for the purpose of this guidelines unclaimed funds refers to amount not claimed by beneficiaries during scheduled payout.
- **Undisbursed funds** – amount of cash advance that was cancelled due to justified reason and is subject for immediate refund.
- **Unexpended funds** – amount of cash advance that is partially utilized and the remaining balance is subject for refund.

### IV. OBJECTIVES

1. To provide uniform policies and standards on proper execution of responsibilities of Accountable Officers.
2. To monitor enforcement and to impose sanctions in cases of non-compliance to established policies and regulations.

### V. COVERAGE

This guideline shall cover the following:

1. Cash advances for the official foreign and local travels of officials and employees; and
2. Cash advances for the Disbursing Officers of the Department's Offices, Bureaus, Services and Units (OBSUs) for the following expenditures:
  - 2.1. Current operating expenditures of the Department or activity undertaken in the field when it is impractical to pay the same by check or Authority to Debit Account (ADA), such as salaries, wages and allowances, maintenance and other operating expenses.
  - 2.2. Other payment for expenses for specific purpose when duly authorized and when it may be very difficult, impractical or impossible to make payments by check or ADA.

### VI. GUIDELINES

The general and specific guidelines in the grant, utilization and liquidation for each type of cash advances are prescribed under COA Circular No. 97-002 dated February 10, 1997 and reiterated in COA Circular No. 2009-002 dated May 18, 2009 and Section 89 of PD No. 1445.



In order to ensure compliance to said rules and regulations and to iterate sanctions on noncompliance based on the various issuances of oversight agencies`.

1. Documentary Requirements for Granting Cash Advance Except for Foreign and Local Travels

- 1.1 Certificate on completion of Orientation for Disbursing Officers signed by the Director of Finance and Management Service (FMS) for the Central Office or the Division Chief for the Financial Management Division (FMD) for the Field Offices. (Annex A)
- 1.2 For the cash advances for payment of the payroll, a justification on the necessity of drawing cash advance stating the reasons therein why the usual payment through opening of payroll account with the servicing branch and depositing the net pay therein cannot be facilitated.
- 1.3 Certification from the Accountant that previous cash advances have been liquidated and accounted for in the books in accordance to Section 1.0 Cash Advances specifically on the same matter. (Annex B)
- 1.4 Authority of the accountable officer issued by the Head of Agency or his duly authorized representative indicating the maximum accountability and purpose of cash advance. (Annex C)
- 1.5 Approved application for bond and/or Fidelity Bond for the year. (Annex D)

2. Reglementary Periods

2.1 Deadlines to Refund Undisbursed or Excess Cash Advances

All undisbursed funds due to various reasons such as, but not limited to the following, shall be refunded immediately as follows:

- 2.1.1 **Cancelled local and foreign travels** - within **three (3) working days** after the cancellation of travel.<sup>1</sup>
- 2.1.2 **Undisbursed or excess cash advances for local and foreign travels** - to give ample time to account expenses and excess cash advances, within **three (3) working days**<sup>2</sup> upon return to the official station.
- 2.1.3 **Unclaimed salaries or grants** - within **three (3) working days** after the last day of the scheduled payout except when on official travel, refund shall be made within **three (3) working days** upon his date of return to official station.
- 2.1.4 **Savings or variance between proposed amounts and actual disbursements for specific activity** - to give ample time to account expenses and excess cash advances, **within five (5) calendar days** after the schedule of the activity.
- 2.1.5 **Advances to Social Welfare Attaches** - fully settle all financial accountabilities for the current year within **sixty (60) calendar days** after the tour of duty or upon arrival at the official station. Except at year wherein the deadline of submission will be on or before January 20 of the following year whichever is earlier

<sup>1</sup> Cancelled travel – notice of cancelled travel from the head of office or first day of the schedule/plan travel whichever is earlier.

<sup>2</sup> Working days are those days aside from weekends and regular/special non-working holidays.



- 2.1.6 **All undisbursed funds as of end of the year**, except for petty cash fund, shall be immediately refunded **until the last banking day** to the collecting officer. All refunds shall immediately be issued with the corresponding Notice of Obligation Request and Status Adjustment, if still applicable, in order to immediately restore the corresponding allotment of the refunds.

This should be done with urgency and importance especially for refunds resulting to beneficiaries not showing up during the scheduled grants pay-out so as not to hamper the succeeding disbursements of scheduled pay-outs for said beneficiaries.

## 2.2 Deadlines to Submit Liquidation Report and Supporting Documents

- 2.2.1 Local Travels - within **thirty (30) calendar days** upon return to official station.  
2.2.2 Foreign Travels - within **sixty (60) calendar days** upon return to official station.  
2.2.3 Salaries, Wages, Allowances, Honoraria and Other Similar Payments – within **five (5) working days** after the end of the pay period.  
2.2.4 For Field COE - within **five (5) calendar days** after the end of each month or within **twenty (20) calendar days** after the end of the year.  
2.2.5 Petty Operating Expenses- Within **twenty (20) calendar days** after the end of the year subject to replenishment as frequently as necessary during the year.  
2.2.6 Payout for programs/projects - **soon after the payout or thirty (30) calendar days** after the scheduled last payout date.  
2.2.7 Special purpose – **soon** after the purpose of the cash advance has been served or **within one month (30 days)** after the activity.  
2.2.8 Social Welfare Attaches – monthly submission of liquidation report shall be **within 10<sup>th</sup> day** after the end of each month and full liquidation of all cash advances for foreign field operating expenses **within sixty (60) calendar days** after the tour of duty, **or on or before January 20** of the following year whichever is earlier.

- 2.3 All cash advances, except Petty Cash Fund, shall be fully liquidated at the end of the year.

## 3. Liquidation of Cash Advances

### 3.1 Liquidation Documents

#### 3.1.1 Payroll Fund for salaries, wages, allowances, honoraria and other similar expenses

- 3.1.1.1 Report of Disbursements certified correct by the accountable officer  
3.1.1.2 Approved payrolls/vouchers duly acknowledged/signed by the payee/s  
3.1.1.3 Approved daily time records (DTRs) or Certificate of Service  
3.1.1.4 Approved application for leave  
3.1.1.5 In case of payment of personnel under the "job order" status, duly verified/accepted accomplishment report  
3.1.1.6 Official Receipt (OR) in case of refund for unclaimed salaries  
3.1.1.7 Authority from the claimant and identification documents, if claimed by person other than the payee  
3.1.1.8 Such other pertinent supporting documents as required by the nature of expense

#### 3.1.2 Petty Cash Fund

- 3.1.2.1 Report on Paid Petty Cash Vouchers



- 3.1.2.2 Approved purchase request with certificate of Emergency Purchase, if necessary
- 3.1.2.3 Bills, receipts, sales invoices
- 3.1.2.4 Certificate of Inspection and Acceptance
- 3.1.2.5 Report of Waste Materials in case of replacement/repair
- 3.1.2.6 Approved trip ticket, for gasoline expenses
- 3.1.2.7 Canvass from at least three (3) suppliers for purchase of involving ONE THOUSAND PESOS (PHP1,000.00) and above
- 3.1.2.8 Summary/Abstract of Canvass
- 3.1.2.9 Petty Cash Vouchers duly accomplished and signed
- 3.1.2.10 Official Receipt (OR) in case of refund
- 3.1.2.11 For reimbursement of toll receipts: toll receipts, trip tickets
- 3.1.2.12 Such other pertinent supporting documents as required by the nature of expense

### 3.1.3 Special/time-bound

- 3.1.3.1 Cash Disbursement Record certified correct by the accountable officer
- 3.1.3.2 Report of Disbursements certified correct by the accountable officer
- 3.1.3.3 Bills, receipts, sales invoices
- 3.1.3.4 Canvass from at least three (3) suppliers for purchase of involving ONE THOUSAND PESOS (PHP1,000.00) and above
- 3.1.3.5 Summary/Abstract of Canvass
- 3.1.3.6 Official Receipt (OR) in case of refund
- 3.1.3.7 Activity Report for the conduct of meetings, conferences, events and the like
- 3.1.3.8 Required BIR form for the deduction of withholding tax as required by the nature of expense
- 3.1.3.9 Such other pertinent supporting documents as required by the nature of expense

### 3.1.4 Travelling Expenses

- 3.1.4.1 Liquidation Report
- 3.1.4.2 Approved Itinerary of Travel and Certificate of Travel Completed
- 3.1.4.3 Paper/electronic plane, boat or bus tickets, boarding pass, terminal fee
- 3.1.4.4 Reimbursement Expense Receipt (RER)
- 3.1.4.5 Certification of Expenses not Requiring Receipts
- 3.1.4.6 Taxi receipts
- 3.1.4.7 Justification for the use of extra ordinary means of transportation (if applicable)
- 3.1.4.8 Certificate of Appearance/Attendance for training/seminar/ participation
- 3.1.4.9 Office Order/Travel Order/Authority to Travel
- 3.1.4.10 Copy of previously approved Itinerary of Travel used in Cash Advance

- 4. All cash advances refunded and/or liquidated after the reglementary period prescribed in Section VI (2) of these guidelines shall require the submission of valid justifications noted by the Head of Office/Bureau/Service/Section.

## VII. IMPLEMENTING PROCEDURES

### 1. Granting and Utilization of Cash Advance

The concerned DSWD Offices, Bureaus, Services and Units shall facilitate completion of necessary documents for granting of cash advance and shall forward to the FMS/D for processing of the release of cash advance.



The accountable officer shall ensure that the utilization of cash advance is in accordance with the provisions of these guidelines.

## 2. Records and Reporting

The Disbursing Officer shall maintain the Cash Disbursement Record (Government Accounting Manual, Volume II, Appendix 40) to monitor the cash advances/payroll, current operating expenses, and special/time-bound undertakings; and prepare the Report of Cash Disbursement (Government Accounting Manual, Volume II, Appendix 41) to report its utilization.

## 3. Demand for Liquidation of Cash Advances

3.1 A reminder memorandum shall be issued by the FMS/D-Accounting Division/Section (AD/S) for all cash advances still unliquidated and/or unrefunded five days (5) before the end of the reglementary period.

3.2 Demand letter/s shall be served by the FMS/D-AD/S for the refund and/or submission of liquidation report until the cash advance is finally refunded and/or liquidated as follows:

3.2.1 **First Demand – Three (3) working days** after the end of the reglementary period.

3.2.2 **Second Demand - Seven (7) working days** after the lapse of the first demand upon receipt.

3.2.3 **Final Demand - Seven (7) working days** after the lapse of the second demand letter upon receipt.

3.3 Failure of the FMS/D-ADS to send any reminder and/or demands shall not give an excuse for the accountable officer from his/her failure to refund and/or liquidate on time and shall not exempt him/her from the consequences of such failure.

3.4 The duty to send reminders and/or demand letters for the liquidation and/or refund of the cash advances shall be explicitly reflected as one of the Core Functions of the Performance Contracts of the following:

3.4.1 FMS/D of the Central and Field Offices

3.4.2 FMS/D-AD/S of the Central and Field Offices

3.4.3 FMS/D-AD/S Cash Advances Focal Persons of the Central and Field Offices

3.5 Failure of the FMS/D-ADS to send any reminder and/or demands must be dealt with accordingly during the performance review evaluation of the FMS/D, FMS/D-AD/S, and the FMS/D-AD/S Cash Advances Focal Persons of the Central and Field Offices.

## 4. Consequences for failure to liquidate and/or refund cash advances within the reglementary period

Failure of the Accountable Officer to refund the undisbursed fund and/or submit the liquidation report and supporting documents within the respective prescribed periods specified in Section V (2) of these guidelines:

4.1 Shall constitute a valid cause for the withholding of his/her salary.

Seven (7) calendar days after the final demand, when the cash advance remains unrefunded and/or unliquidated, whether PARTIAL or FULL, the FMS/D shall advice




the Human Resource Management and Development Service/Division (HRDS/D) to execute the withholding of salary of the Accountable Officer until further notice. The same shall still be executed even if a partial liquidation or refund had been rendered by the accountable officer.


- 4.2 Failure on the part of the Accountable Officer to response upon issuance of final demand, shall cause the FMS/D to submit to the Legal Service the case for evaluation as to the filing of an administrative action against the concerned Accountable Officer based on CSC MC No. 23, series of 2019 or the "Revised Guidelines on the Settlement of Cash Advance and the Penalty to be Imposed for Failure of an Accountable Officer to Liquidate Cash Advance within the Reglementary Period, the CSC Rules on Administrative Cases, and any other applicable laws.

#### VIII. EFFECTIVITY

The provisions of the guidelines shall be effective immediately.

  
ROLANDO JOSELITO D. BAUTISTA  
Date:     111 28 2021    

CERTIFIED TRUE COPY

  
26 AUG 2021  
MYRNA H. REYES  
OIC-Division Chief  
Records and Archives Mgt. Division

# Annex A

CLM0000-07-001 | REV 01 / 06 NOV 2010



## CERTIFICATION

This is to certify that \_\_\_\_\_ **NAME** \_\_\_\_\_, \_\_\_\_\_ **POSITION** \_\_\_\_\_, with Contractual Appointment, has satisfactorily completed the orientation on the rules and regulations on the granting, utilization and liquidation of cash advances as well as the duties, responsibilities, and accountabilities of Special Disbursing Officers (SDOs) conducted last \_\_\_\_\_.

This certification is issued for the granting of cash advance as SDO.

Designation \_\_\_\_\_  
Date: \_\_\_\_\_





# Annex B

30 June 2020

## CERTIFICATION

This is to certify that per Accounting Division records, there is no cash advance granted to NAME, Special Disbursing Officer of the OFFICE that is not settled/liquidated as of this writing.

This certification is issued in compliance with COA Circular No. 2012-01 dated June 14, 2012 particularly on the granting of cash advance except for travels.

Certified by:

Chief, Accounting Division

Republic of the Philippines  
**Department of Social Welfare and Development**  
 Batasan Pambansa Complex  
 Constitution Hills, Quezon City

Date: \_\_\_\_\_

**REQUEST FOR CASH ADVANCE**

**The Honorable Undersecretary**  
 DSWD Central Office  
 Quezon City

Ms./Mr. \_\_\_\_\_:

Please advance to **MS./MR.** \_\_\_\_\_, **Regular/Special Disbursing Officer** of (office) the amount of \_\_\_\_\_ **Pesos Only (P\_\_\_\_\_00)** which will be disbursed in settlement of the following types of expenses to be charged (fund).

PREVIOUS ADVANCE	TYPES OF EXPENSES	AMOUNT		
		Request	Spent	Balance

Approval of the above request for cash advance for the expenses mentioned in the amount P\_\_\_\_\_.

Requested by:

Recommending approval:

**HEAD OF OBSU**  
 Position  
 Office

**FMS/D HEAD**  
 Position  
 FMS/FMD

Approved by:

**RD/USEC FOR GASSG/SECRETARY/AUTHORIZED REPRESENTATIVE  
 POSITION**



Republic of the Philippines  
Department of Finance  
**BUREAU OF THE TREASURY**  
National Capital Region  
Regional Office

ANNEX D

Transmittal No. D2E-21-08-1647

08/17/2021

Date

**CONFIRMATION LETTER**

AGENCY CODE : **B1420**

THE SECRETARY

Department of Social Welfare & Development


BP Complex, Constitution Hills, Quezon City



Sir:

This is to inform you that the request for bonding and/or cancellation of bonds of the following accountable officials and employees of your Office / Agency has been approved and duly entered in the Registry of Bonded Public Officers maintained by DISTRICT II of this Bureau.

(District/Provincial Office)

Name and Position of Bonded Public Officers	Station	Risk No.	Approved Amount of BOND	Effective Date	
				Bonding	Cancellation
 XXXXXXXXXXXX	DSWD - SWIDB	D2E-21-3557N	5,000,000.00	08/17/2021	08/17/2022

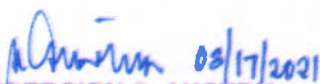
The coverage of approved bond is one year from date of issue to be renewed on or before the anniversary date, otherwise bond is automatically cancelled.

Please notify this Office if there are changes in accountable officers or amount of accountability within the effective period of the bond.

Very truly yours,

**ROSALIA V. DE LEON**  
Treasurer of the Philippines

By:

 08/17/2021

**CONCEPCION S. AUSTRIA**  
Chief Treasury Operations Officer II

cc: COA Resident Auditor