

**Departmental General Operating Procedures**

<b>CORPORATE GOVERNANCE</b>		Document Code: MMC-GOP-GLD-006	Rev. Code : 00
<b>Petty Cash Fund</b>		Effective Date: October 1, 2021	Page 1 of 13
Issued by: <b>Compliance Department</b>	<input checked="" type="checkbox"/> New	Supersedes Policy on Petty Cash Fund Rev 02	
<b>Approved by:</b>			
<i>(original document signed)</i> <b>Atty. German Q. Lichauco II</b> Corporate Secretary	Oct/07/2021 Date Signed (MMM/DD/YYYY)	<i>(original document signed)</i> <b>Manuel V. Pangilinan</b> Chair, MDI Board of Directors	Oct/11/2021 Date Signed (MMM/DD/YYYY)

This Policy recognizes that Petty Cash Funds can provide a convenient and efficient way to pay for small expenses, but such form of cash disbursement may be prone to misuse and expose the company to the risk of theft. This Policy provides procedures designed to mitigate these risks. The aim of this Policy is to establish when the usage of petty cash is appropriate and how Makati Medical Center (MMC), its directors, officers, executives, employees, and consultants should document requests and usage of petty cash. It lays down the proper arrangements for the holding of, payment from, and accounting for Petty Cash. The overall objective of this Policy is to encourage an effective administration and internal control of petty cash handling operations throughout the Company.

**Objective:**

To set guidelines for all disbursements through Petty Cash Fund.

**Scope:**

This policy shall apply to all Petty Cash Custodians of the Hospital.

**Definition of Terms:**

Petty Cash Fund - a revolving imprest account which is used to make miscellaneous or emergency reimbursements.

Petty Cash Custodian - shall refer to any individual who is handling/maintaining the Petty Cash Fund of a particular Department or Section of Makati Medical Center.

Employee - shall refer to any individual employed by Makati Medical Center.

**Policy:**

Petty cash fund shall cover expenses incurred from the Company's daily operation needs that will not exceed the amount of **Php 5,000.00** (five thousand pesos) per single request. Expenses shall include reimbursements or cash advances for, but not limited to, the following:

- Meal and transport allowance/expenses, subject to provisions of duly approved travel authorization form and policies/procedures on allowances.
- Various materials, i.e., spare parts, consumables and office supplies, provided that the materials are not available at the stockroom;

**Departmental General Operating Procedures**

<b>CORPORATE GOVERNANCE</b>	Document Code: MMC-GOP-GLD-006	Rev. Code : 00
<b>Petty Cash Fund</b>	Effective Date: October 1, 2021	Page 2 of 13

- Representation expenses including wreaths and gift items (with prior approval by Compliance Officer and the Chief Finance Officer or Chief Executive Officer);
- Meeting expenses;
- Fees paid to government agencies (unless with prior approval by Compliance Officer and the Chief Finance Officer or Chief Executive Officer) ;
- Auto repair services;
- Miscellaneous fees i.e. brokerage, postage, photocopy, notaries, film developing, key duplication, and rubber stamps, among others.

Petty cash is only allowed for expenses and payments of amounts not to exceed Php 5,000.00 per transaction. Receipts for the same activity exceeding Php 5,000.00 cannot be split among multiple vouchers to circumvent the Php 5,000.00 limitation and be claimed as a petty cash expense.

Only purchases of not more than Php 5,000.00 threshold which are not ordinarily available from an accredited supplier of the Company may be purchased through Petty Cash.

An exception to usage of petty cash for forbidden nature of expenses (as indicated below) would be in the case of emergency purchases, after official business hours and this has to be authorized and ratified by at least two (2) Departmental Heads.

A petty cash fund may be established in a department when it can be demonstrated that a continuing cash advance should be kept on hand to permit purchase of items or services necessary to conduct daily operations in a most efficient and effective manner. This kind of petty cash fund assignment shall be known as Revolving Fund and shall be subjected to the same policies and procedures of petty cash fund.

**Guidelines:**

**A. Set-up, Release and Replenishment of Petty Cash Fund**

1. A Request to Establish a Petty Cash Fund form (Appendix I) should be filled up by the Requesting employee or Department Manager duly noted by the Department Head and shall require the approval of VP Finance.
2. Upon approval, Finance Division Treasury Department, shall release the funds to the Department through check issuance. Finance Division-Treasury Department records the transaction as follows:
 

Dr.	Petty Cash Fund/Revolving Fund	xx
Cr.	Cash In Bank	xx
3. The Petty Cash/Revolving Fund should be replenished when the fund is at least 50% utilized or as otherwise determined by the VP Finance.
4. Finance Division shall only allow replenishment of the Petty Cash/Revolving Fund if request is duly supported by the reimbursement forms of the expenses drawn from the fund. Thus, the Summary

**Departmental General Operating Procedures**

<b>CORPORATE GOVERNANCE</b>	Document Code: MMC-GOP-GLD-006	Rev. Code : 00
<b>Petty Cash Fund</b>	Effective Date: October 1, 2021	Page 3 of 13

of Expenses together with the supporting paid reimbursements and cash advance/liquidation forms and Official Receipts, if any, should be attached to the request for replenishment.

**B. Limitation on use of petty cash**

- Petty cash expenditure should be restricted to those purchases where there is no practical alternative method of payment, for example Patient Travel, or purchases of small value items.
- The use of petty cash should not be a means for bypassing other existing expenditure controls in the Company. It should not be used for payroll, staff travel or subsistence expenses, where it is possible that tax implications may apply.
- Petty cash should not be used for the purchase of electrical items, unless with appropriate health and safety checks from Facilities Management and Engineering Division.
- Loans or advances to employees for personal use from Petty Cash funds are forbidden.
- Use of petty cash is also forbidden for the following nature of expenses:
  - All expenses related to Foreign Travel
  - Airfare for Domestic Travel
  - Salary, Awards and Bonuses
  - Stipends (Non-Employees)
  - Subject Fees/Study Participants
  - Consulting/Professional Services
  - Honorariums
  - Contracts of any type
  - Individual and Institutional Dues and Membership Fees
  - Entertainment and gifts (unless with prior approval by Compliance Officer and the Chief Finance Officer or Chief Executive Officer)
  - Donations, Grants, & Sponsorships
  - Payment to Government Officials<sup>1</sup>/agencies or third parties interacting with Government Officials/agencies including permit and licenses (unless with prior approval by Compliance Officer and the Chief Finance Officer or Chief Executive Officer)

**Procedure:**

When a petty cash/revolving fund has been authorized for a department, the following operating procedures must be followed:

---

**Departmental General Operating Procedures**

<b>CORPORATE GOVERNANCE</b>	Document Code: MMC-GOP-GLD-006	Rev. Code : 00
<b>Petty Cash Fund</b>	Effective Date: October 1, 2021	Page 4 of 13

**A. Designation of Petty Cash Fund Custodian**

A custodian of the fund, who is directly responsible for the safekeeping and disbursement of the cash, must be appointed by the Division Head and concurred by the Chief Finance Officer. The original check or amount paid to establish the fund and replenishments thereof is issued to the Petty Cash Fund Custodian. Written procedures that must be followed in using revolving fund should be provided to the custodian.

**B. Authorized User of Petty Cash Fund**

1. Only regular employees shall be authorized to receive petty cash reimbursements or cash advance. The signature of the requesting personnel shall affixed on the "Received By" portion of the Reimbursement form or cash advance form whichever is applicable;
  
2. Expenses paid from a petty cash fund can only be made for the purposes(s) for which the fund was authorized and must be supported by reimbursement/cash advance forms or liquidation forms together with the receipts, which should contain the following information:
  - Date of purchase or payment;
  - Name of vendor or other payee;
  - Positive evidence that a payment was made i.e., official receipt or cash register receipt or a handwritten receipt on which the word "paid" appears only for items that cannot be supported by the official receipt.;
  - Amount paid;
  - Description of the goods purchased (entered by the vendor in the receipt obtained) or of the services provided;
  - The corresponding official receipt or proof of payment shall be attached to the Petty Cash Voucher (PCV) form or liquidation form. Expenses that are not generally covered by receipts like jeepney fare, mail stamps, etc., shall be written in the PCV form or liquidation form with itinerary disclosed and signature indicating receipt of purchases or services.
  
3. All paid reimbursements/cash advance or liquidation forms as well as receipts or supporting documents should be stamped "PAID" and also indicate the date of payment to avoid double payment and shall be kept under the custody of the Petty Cash Custodian for monitoring purposes. The Custodian shall file all paid reimbursement/cash advance/liquidation form and official receipts until replenishment is requested;
  
4. All requests for cash advance through petty cash must be supported by properly completed and duly approved IOU Form. A complete IOU consists of:
  - Breakdown of estimated costs for which the cash advance is to be used;

**Departmental General Operating Procedures**

<b>CORPORATE GOVERNANCE</b>	Document Code: MMC-GOP-GLD-006	Rev. Code : 00
<b>Petty Cash Fund</b>	Effective Date: October 1, 2021	Page 5 of 13

- Sign-off on the acknowledgement of his understanding of the Company’s policies to liquidate within three (3) working days from the date the advance is actually released or date of arrival in case of domestic travel advances.
5. In no case shall the requesting employee split the cash advance or reimbursement to satisfy the requirement of petty cash disbursement. It is the responsibility of the Petty Cash custodian to ensure that this policy is complied with;
  6. A Month-End Report of Petty Cash Fund Balance (Exhibit III) shall be prepared and submitted to the Finance Treasury Department on the 1<sup>st</sup> working day of the following month to ensure the cash and expenses are accounted for.
  7. Total receipts plus the cash on hand must be equal to the specified amount of the petty cash fund at all times.

**C. Replenishment of funds**

Reimbursements made to a fund custodian for petty cash/revolving fund expenditures are based on the approved Request for Payment Form (RFP) which must be supported by all payments made (i.e. reimbursement forms, cash advance/liquidation forms, official receipts and other supporting documents). Such request must be approved based on the approval matrix for Request for Payment. In no cases should the request be approved for payment by the Petty Cash Fund Custodian nor an employee who reports to the fund custodian.

A summary of expenses must be prepared and attached to the request for payment form for revolving fund replenishment. Revolving fund expenditures shall be checked by the Treasury supervisor and recorded by the Finance Division – Treasury Department.

Reimbursement shall be recorded as follows:

Dr. Expense (classified accordingly)	xx
Cr. Cash in Bank	xx

Replenishment should be requested when the fund is at least 50% utilized or as needed.

**D. Approving Authority**

All Petty Cash Voucher forms (PCV), Request for Payment form and liquidation forms must be checked and signed-off by the Department Manager or authorized representative of the department as designated by the Division Head. Payment to government agencies or exemptions to above limitations on use of petty cash is pre-approved by Compliance Officer and by Division Head and one of the following: CEO or CFO.

**Departmental General Operating Procedures**

<b>CORPORATE GOVERNANCE</b>	Document Code: MMC-GOP-GLD-006	Rev. Code : 00
<b>Petty Cash Fund</b>	Effective Date: October 1, 2021	Page 6 of 13

**E. Safekeeping of the Petty Cash Fund**

Petty cash/revolving fund must be kept inside a petty cash fund (“PCF”) box with lock and key. When not in use, the funds currency must be placed in a safe or locked receptacle, which is kept in a properly secured area. In the event of a theft, the loss must be reported immediately to the Human Resources Management and Development Division (HRMDD) for proper handling.

The Paid forms and supporting receipts shall be kept locked in filing cabinet (under dual custody) at the end of the day.

Safekeeping of the key of the PCF box should be properly observed by the Petty Cash Custodian. Duplicate key of the PCF box and vault must be kept by the Department Head which shall be accessed during the absence of the Petty Cash Holder. In all cases that the alternative custodian shall access the PCF box or vault, the duplicate key assignee shall witness the opening and counting of the PCF and vault.

**F. Reconciliation / Surprise Cash Count -**

The Petty Cash Custodian must perform reconciliation and a summary report compiled at least once a month (Appendix III), approved by the Division Head and submitted to the Finance – Treasury Department.

In addition to above, the Chief Financial Officer or Treasury Department designated Officer must perform surprise reconciliation of petty cash funds (Appendix IV) at appropriate intervals.

If losses and/ or shortages are noted from such reconciliation and or surprise checks, the same shall be investigated by Treasury Department Officer to ensure:

- Prescribed procedures were followed;
- Petty Cash was properly secured; and
- There is physical evidence of breaking-in and no act or omission on the part of the Petty Cash Custodian, contributed to loss.

**G. Recall**

The Treasury Department Office may recall a PCF when minimal or no activity has occurred for a period of two (2) months.

**Departmental General Operating Procedures**

<b>CORPORATE GOVERNANCE</b>	Document Code: MMC-GOP-GLD-006	Rev. Code : 00
<b>Petty Cash Fund</b>	Effective Date: October 1, 2021	Page 7 of 13

**Responsibility:**

It is the responsibility of the Head/ Manager of Department to ensure that funds for such petty cash expenses are available in their budget and to ensure compliance to this policy.

**Review:**

This policy shall be reviewed every three (3) years or earlier as deemed necessary by the Chief Finance Officer or by the Department Manager of Treasury.

**Effectivity**

This Policy shall take effect immediately. All existing policies, rules, system practices, and related implementing guidelines concerning the same matters covered by this Policy are deemed superseded. In the event of any inconsistency between the policy and guidelines contained herein and the terms of other existing policies, rules, system practices and related implementing guidelines, the policy and guidelines contained herein shall prevail.

**Approval, Amendment or Alteration of Policy**

This Policy has been approved and adopted by the Medical Doctor’s Inc. (MDI) Board of Directors.

The Compliance Department, Leadership and the MDI Board of Directors has the overall responsibility to provide oversight on implementation, monitoring and periodic review (at least every 3 years and when needed as deemed necessary by the Chief Finance Officer or by the Department Manager of Treasury) of this Policy.

This Policy shall not be amended, altered or varied unless such amendment, alteration or variation shall have been approved by resolutions of the Board of Directors.

**Training**

Upon initial roll-out of the Policy, all current personnel, trainees and medical staff should be trained and complete attached form and deliver the completed forms to Human Resources / Medical Services / Medical Education and Research in an envelope labeled “Employee Policy Training Certification.”

**Departmental General Operating Procedures**

<b>CORPORATE GOVERNANCE</b>	Document Code: MMC-GOP-GLD-006	Rev. Code : 00
<b>Petty Cash Fund</b>	Effective Date: October 1, 2021	Page 8 of 13

New personnel, trainees and Medical staff should be trained immediately upon hiring and complete this form and kept in their respective 201 file in Human Resources, Medical Services or Medical Education.

**Responsibilities**

Compliance Department provides oversight on the regularly review of this policy at least every 3 years and recommend to Leadership and MDI Board of Directors any modification.

Human Resources - Learning and Development Department / Department Manager or Quality, Safety and Compliance Officer of concerned department in coordination with Compliance Department provides regular training and annual refresher course to hospital personnel within their area of responsibility.

Managers and supervisors are responsible in ensuring that all their staff are aware and implement this policy consistently. In the review of any violation of this policy, managers and supervisors may be held liable for failure to instruct adequately their subordinates or for failure to detect noncompliance with applicable policies and legal requirements, where reasonable diligence would have led to the discovery of any violations or problems and prevent loss for the company.

**Signatories:**

*(original document signed)*

**Author (s)** **Melanie D. Moreno**  
Cashiering Officer

**Reviewers**

<b>Saturnino P. Javier, MD</b>	- Medical Director
<b>Artemio C. Salvador, MD</b>	- Head, Quality Management Division
<b>John Vincent G. Pastores, MD</b>	- Director, Medical Services
<b>Angelita P. Garcia</b>	- OIC, Human Resources Management & Development Division
<b>Arnold C. Ocampo</b>	- CFO & Division Head, Finance
<b>Reynaldo J. Lim</b>	- OIC, Service Operations Division
<b>Maria Rosario P. Marin, MD</b>	- Director, Medical Education and Research



**Departmental General Operating Procedures**

<b>CORPORATE GOVERNANCE</b>	Document Code: MMC-GOP-GLD-006	Rev. Code : 00
<b>Petty Cash Fund</b>	Effective Date: October 1, 2021	Page 9 of 13

<p><b>Eda Bernadette P. Bodegon, RN, MAN</b></p> <p><b>Arlyn L. Songco</b></p> <p><b>Ma. Fleurdeliz C. Atienza</b></p> <p><b>Isidoro M. Perfecto</b></p> <p><b>Engr. Gerry E. Cunanan</b></p> <p><b>Bernardo F. Tawatao</b></p> <p><b>Mary Milagros D. Uy, MD</b></p>	<ul style="list-style-type: none"> <li>- Chief Nursing Officer, Nursing and Patient Care Services</li> <li>- Head, Creative, Communications, and Sales Services Division</li> <li>- Manager, Procurement Department</li> <li>- OIC, Information &amp; Communications Technology Division</li> <li>- Head, Facilities Management and Engineering Department Division</li> <li>- Unit Manager Finance Analytics</li> <li>- Director, Hospital License &amp; Accreditation Compliance Officer</li> </ul>
<p><b>Reviewed and Recommended for Approval:</b></p> <p><i>(original document signed)</i>  <b>Atty. Pilar Nenuca P. Almira</b>  President and CEO</p> <p><i>(original document signed)</i>  <b>Arnold C. Ocampo</b>  Chief Financial Officer</p> <p><b>Disclaimer:</b> Hardcopies of this document are considered uncontrolled. Please refer to WHaM for the latest version. It is your responsibility to check the correct and latest version of document before use.</p> <p><b>Proprietary Statement:</b> This document contains proprietary information of Makati Medical Center. This document and any attached materials are not to be used, reproduced, republished, uploaded, disseminated, and distributed, in whole or in part, for any purpose, without the express written consent of Makati Medical Center. Any unauthorized use may violate copyright laws and other civil and criminal statutes of the Philippines and may be considered as a violation of MMC confidentiality policy. All other rights are reserved.</p>	

**Departmental General Operating Procedures**

<b>CORPORATE GOVERNANCE</b>	Document Code: MMC-GOP-GLD-006	Rev. Code : 00
<b>Petty Cash Fund</b>	Effective Date: October 1, 2021	Page 10 of 13

**Templates**

**EXHIBIT I. REQUEST TO ESTABLISH A PETTY CASH FUND**

**MEMO TO:** Chief Finance Officer  
**FROM:**  
**DATE:**  
**SUBJECT:** *Request to establish a Petty cash Fund*

I would like to request that (Department Name/Cost Center) be authorized to establish a petty cash fund in the amount of P (Amount). Justification for proposed use and estimated monthly transactions is/are as follows:

If approved, I certify that the petty cash fund will be operated in full compliance with the Company's written procedures for petty cash. The fund custodian will be (Name of requesting employee), (Contact Number). The cash and records for this fund will be located in (Room, Building Address) and will be safeguarded as prescribed in the above procedures. The funds and records will be available for any scheduled and/or unannounced audit.

\_\_\_\_\_  
 Petty Cash Custodian Name/Signature

\_\_\_\_\_  
 Department Head's Signature

-----  
**DO NOT WRITE BELOW THIS LINE**

Approved

Disapproved

\_\_\_\_\_  
**Chief Finance Officer**

\_\_\_\_\_  
**Date**

**Departmental General Operating Procedures**

<b>CORPORATE GOVERNANCE</b>	Document Code: MMC-GOP-GLD-006	Rev. Code : 00
<b>Petty Cash Fund</b>	Effective Date: October 1, 2021	Page 11 of 13

**EXHIBIT II. CHANGE OF PETTY CASH CUSTODIAN**

**MEMO TO: FINANCE DEPARTMENT – CONTROLLERSHIP DEPARTMENT**

**FROM:**

**DATE:**

**SUBJECT: *Change of Petty Cash Fund Custodian***

This is to advise you that the custodian of the (Department Name/Cost Center). Petty cash fund has been changed. The new petty cash custodian is (Name of requesting employee), (Contact Number) and the alternate custodian is (Name of requesting employees, (Contact Number)).

We certify that at the time of transfer, the fund was counted and reconciled and the authorized amount of P \_\_\_\_\_ was properly accounted for.

As The Present Custodian, I, Currently have the following combination of cash and receipts totaling the amount authorized for my petty cash fund.

Cash on hand          Php \_\_\_\_\_  
 Amount in Receipts    \_\_\_\_\_  
 Total

\_\_\_\_\_  
 Signature Outgoing Custodian/Date

As the New Custodian, I agree that I received the total cash and receipts in the amount of Php \_\_\_\_\_ on \_\_\_\_\_. That I have read and agree to follow the procedures specified in the Petty Cash fund policies and procedures concerning my responsibilities for safeguarding and disbursing cash from the petty cash fund.

\_\_\_\_\_  
 Signature New Custodian / Date

**Noted by immediate Supervisor:**

**Approved by Department Head**

\_\_\_\_\_  
 Name/Signature/Date

\_\_\_\_\_  
 Name/Signature/Date



