



REPUBLIKA NG PILIPINAS
KAGAWARAN NG KATARUNGAN
PANGASIWAAN SA PATALAAN NG LUPAIN
(LAND REGISTRATION AUTHORITY)

East Avenue cor. NIA Road, Quezon City

Website: www.lra.gov.ph

20 March 2023

LRA Circular No. 10-2023

TO : **All Officials and Employees**

FROM : **GERARDO PANGA SIRIOS***
Administrator *HS* *TM*

SUBJECT : **GUIDELINES AND PROCEDURES ON THE GRANT,
UTILIZATION, AND LIQUIDATION OF CASH ADVANCE
FOR UTILITY EXPENSES**

In the interest of the service and to prevent the recurrence of incidents pertaining to power outages brought about by late payment of utility bills, and to ensure uninterrupted delivery of quality public service, it is imperative to grant a special purpose cash advance to the designated disbursing officer who shall monitor and handle the payment of utility expenses of the Registries of Deeds (ROD).

In this connection and in accordance with existing laws, rules, and regulations, the following set of guidelines and procedures shall be strictly observed and adhered to by all Accountable Officers/Disbursing Officers:

A. Guidelines

1. No Cash advance shall be given unless for a legally specific purpose.
2. No additional cash advances shall be allowed to any official or employee unless the previous cash advance given to him is first settled or a proper accounting thereof is made.
3. A cash advance shall be reported on as soon as the purpose for which it was given has been served.
4. Only permanently appointed officials shall be designated as Disbursing Officers.
5. Only duly appointed or designated disbursing officers may perform disbursing functions.
6. Transfer of cash advance from one Disbursing Officer to another shall not be allowed.

7. The cash advance shall be used solely for the specific legal purpose for which it was granted. Under no circumstance shall it be used for encashment of checks, liquidation of a previous cash advance, and payment of unauthorized expenses.
8. The cash advance for a particular year shall not be used to pay expenses of other years.
9. The Special Purpose Cash Advance shall be fully liquidated as soon as the purpose has been served. The Disbursing Officer shall refund any unexpended balance to the Cashier/Collecting Officer, who shall issue the necessary official receipt.
10. The payment of penalties and surcharges out of the cash advance shall not be allowed. Any payment for this matter shall be disallowed in audit and shall make the Disbursing Officer personally liable.

B. Documentary Requirements

Granting of Cash Advance

- Approved estimate of two (2) months utility expenses from the Registry of Deeds;
- Authority of the Accountable Officer issued by the Head of the Agency indicating the maximum accountability and purpose of cash advance;
- Approved application for bond and/or Fidelity Bond for the year for cash accountability;
- Certification from the accountant that the previous cash advance has been liquidated and accounted for in the books; and
- Certificate of Undertaking.

Liquidation of Cash Advance

- Cash Disbursement Record certified by the Disbursing Officer;
- Report of Cash Disbursement certified by the Disbursing Officer;
- Bills, receipts, sales invoices from the Utility Company;
- Statement of Account/Billing Statement from Utility Company;
- Official Receipt, if there is an excess cash advance to be refunded; and
- Other pertinent supporting documents as may be required.

C. Procedures in Granting and Liquidation of Cash Advance

Granting of Cash Advance	
Area of Responsibility	Activity
Special Disbursing Officer	Submits all the pertinent documentary requirements enumerated in Item B.
Concerned LRA Central Office Units	Facilitate the processing and release of Cash Advance.
Special Disbursing Officer	Receives the approved check and copy 4 of the Disbursement Voucher (DV) from the cashier.

	Records in the Cash Disbursement Record the date, reference, name of the payee, and the particulars and amount of check in the "Cash Advance Received" column.
Petty Cash Fund Custodian	Encashes check in Government Servicing Bank and keeps cash in a safety vault.

Liquidation of Cash Advance	
Area of Responsibility	Activity
Special Disbursing Officer	<p>Prepares the Report of Cash Disbursements in three (3) copies based on the Cash Disbursement Record.</p> <p>Signs the "Certification" portion of the Report of Cash Disbursements.</p> <p>Forward the Report of Cash Disbursements together with the supporting documents enumerated in Item B to the General Services Division.</p>

D. Withholding of Taxes

Pursuant to the Bureau of Internal Revenue's rules and regulations, all government offices are constituted as withholding agents for the purposes of the creditable tax required to be withheld from government money payments to **regular supplier** of goods and services.

A **regular supplier**, for this purpose, is one with whom a taxpayer has had at least six transactions, either in the previous or current year, or constituting a single purchase amounting to at least P10,000.

As such, money payments to the Utility Company shall be subject to the 5% final VAT withholding and 2% creditable income taxes, **except when the Utility Company is exempted from withholding of taxes pursuant to existing rules and regulations.**

All Accountable Officers/Disbursing Officers are advised to coordinate with the Accounting Division of this Authority, regarding matters as to the imposition and computation of withholding taxes. In case of non-compliance with their obligation to withhold taxes, the amount equivalent to the taxes that should have been withheld shall be shouldered by the Accountable Officer/Disbursing Officer.

E. Failure to Settle and Liquidate Cash Advance

All Special Disbursing Officers shall strictly monitor the utilization of their Cash Advance and submit immediately the liquidation report as one of the requirements for the granting of another Cash Advance which will cover the payment of utility bills for the succeeding months.

Failure of the Special Disbursing Officer to settle and liquidate his/her cash advance within five (5) working days after the purpose has been served, shall be a ground for the filing of administrative charges pursuant to Civil Service Commission Memorandum Circular No. 23, s. 2019.

All officials and employees are directed to expedite the processing of cash advance of each Registry of Deeds in order to avoid utility service disconnection and the incurrance of penalties/surcharges.

Other rules and regulations issued by the Commission on Audit, and other government offices pertaining to cash advances are deemed incorporated in this Circular.

For strict compliance.