

Accounting Department  
Memorandum No.: FAD-2024-001  
Date: April 3, 2024  
To: All Solutions Delivery Division Employees  
Subject: Policy and Procedure on Revolving Fund and Reimbursement

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### RATIONALE

To control the expenses and maximize the budget expenditure of all Divisions, the Company is hereby establishing the foregoing rules.

### SCOPE

Effective immediately, this policy shall apply to all Solutions Delivery Division employees who are issued with a revolving fund or have qualified reimbursable/authorized expenses.

### DEFINITION OF TERMS

- a) Revolving Fund refers to a regularly replenished monetary amount provided to an employee to cover expenses related to admin, marketing, or sales activities, representation, and celebratory treats.
- b) Reimbursement refers to the process of compensating employees for the expenses they have incurred, usually by reimbursing them for funds spent out-of-pocket. It covers various expenses similar to those covered in revolving funds.
- c) Liquidation refers to the process of accounting for the expenses and settling for any remaining funds from official budgets by returning them to the Accounting Department.
- d) Professional-Technical Employees are office-based employees who do not hold managerial or supervisory positions
- e) Sales Activity Expenses refer to meals and travel expenses of a Pre-sales during client visits and ocular.
- f) Representation refers to expenses for client meeting meals, milestone celebration and other similar expenses.
- g) Celebratory Treats refer to business meals intended to mark special occasions, achievements, or milestones as a morale booster or employee

appreciation gesture. Employee birthday-related expenses are excluded from Celebratory Treats.

h) Covered Expenditure refers to expenses covered by the revolving fund. This includes celebratory treats, representations, and project expenses.

## GENERAL GUIDELINES

### I. Revolving Fund Entitlement

1. The authority to allocate and adjust revolving funds to employees rests solely on the Management, including division managers and the CEO/President.
2. Employees with revolving funds are entitled to qualified and authorized reimbursable expenses as defined herein.

### II. Covered Expenditure and Allocated Budget per Job Classification

1. The following is the approved budget allocation per covered expenditure per job classification. Expenses shall not be higher than the amounts indicated in the following table.

Type of Expenditure	Job Classification			
	Division Manager	Department Manager/ Unit Manager/	Team Lead / Assistant Project Manager	Professional- Technical
Extended Working Hours Meals	₱175.00 per day	₱175.00 per day	₱175.00 per day	₱175.00 per day
Transportation	As approved on Project Budget			
Parking Fees	₱150.00/customer/ day	₱150.00/customer/ day	As approved on Project budget	Not Applicable
Toll Fees	Actual expense	Actual expense excluding Skyway	As approved on Project budget	Not Applicable
Representation (Gifts, Token)	As approved on Project budget	As approved on Project budget	As approved on Project budget	Not applicable
Representation (meals with clients)	As approved on Project budget	As approved on Project budget	As approved on Project budget	Not applicable
Celebratory Treats	₱250.00 per pax	₱250.00 per pax	₱250.00 per pax	Not applicable
One-on-One Coaching Session	₱500.00 per session per month	₱500.00 per session per month	₱500.00 per session per month	Not applicable

2. The parking budget entitlement is exclusive to company vehicle assignees and gas allowance beneficiaries. Employees who opt to use their own vehicles may reimburse expenses in the amount not greater than the allowable reimbursable amounts indicated in the abovementioned table.
  
3. Actual expressway rates spent during authorized trips shall be reimbursed. Skyway expenses shall only be allowed for division managers and special approvals of division managers or the CEO/President.
  
4. The gas expense for provincial onsite travel **shall not be included** in the reimbursable amounts.

## **II. Period of Reimbursement**

1. Employees shall process their respective reimbursement(s) not later than one (1) month after expenditure.
  
2. Employees who submit reimbursement(s) beyond one (1) month shall file an incident report (IR). The Management retains the sole prerogative to consider whether the submitted IR will be considered for reimbursements submitted after the designated deadline.
  
3. Noncompliance shall result in the forfeiture of the reimbursable amount.

## **IV. Procedure**

1. Employees shall file their expense reports for reimbursement with receipt attachments in People Navee.
  - a. The Schedule of Expense Report is located in the Document Category under the Payroll Section of People Navee.
  
  - b. The expense report shall be properly tagged as either "Reimbursement" or "Revolving Fund".
  
  - c. All fields in the People Navee expense report shall be properly and completely filled out:
    - i. Employee Name refers to the name of the individual making the request or incurring the expense.
    - ii. Type indicates the category or purpose of the expense, such as project-related, departmental, or sales-related activities.
    - iii. Expense Type shall be either reimbursement or revolving fund only.
    - iv. Payroll Period refers to the specific period covered by the payroll, typically indicating the timeframe for which the employee is compensated. It can be the end of the month or 15th of the following month.



- v. Date of Transaction refers to the date on which the expense was incurred or the transaction took place.
- vi. Client Name refers to the name of the client or customer associated with the expense, particularly relevant for business-related expenditures.
- vii. Particulars shall contain additional details or descriptions explaining the nature or purpose of the expense.
- viii. Value-Added Tax (VAT) Code indicates the VAT code applicable to the expense.
- ix. Vendor refers to the name of the vendor or supplier from whom goods or services were purchased.
- x. TIN refers to the Taxpayer Identification Number of the vendor.
- xi. Address refers to the address of the vendor or supplier, providing location details for the transaction.
- xii. Division shall either be Sales & Marketing Division (SMD), Solutions Delivery Division (SDD), or Admin and Support Division (ASD) only.
- xiii. Unit specifies the specific unit or team within the division associated with the expense.
- xiv. Sales Invoice (SI) or Official Receipt (OR) Number refers to the reference number associated with the SI or OR issued for the transaction, providing documentation for accounting and record-keeping purposes.

- d. Proper tagging of the VAT codes shall be observed:

VAT Code	Code Name	Notes
IT1	Input VAT - Goods	SI or purchase of items or goods
IT2	Input VAT - Services	OR or meals or any services purchased
IT6	Input VAT - Non-Received	Acknowledgement receipt or transactions with proof of expense but no valid receipt
IT7	Input VAT - Capital Goods <₱1M	Capital asset less than ₱1,000,000.00
ITE	Input VAT - Exempt	Exempt purchases
ITNA	Input VAT - Not Applicable	No proof of expense (like tricycle or jeepney fare, etc.)
ITNV	Input VAT - Non-VAT	Expenses with valid receipt like OR but non-VAT registered

- 2. Attachment of receipts shall be mandatory. Any lost receipt shall not be considered; however, the Management reserves the right to accept, allow, or make considerations after submission of an incident report and any other relevant documents. All applicable procedures outlined in HR



Memorandum No. 2023-007 otherwise known as the Revised Code of Conduct (the "Code of Conduct") shall apply.

3. Employees shall secure the approval of their respective immediate heads and division managers on the expense report.
4. The hardcopy of the expense report with the attached receipts and approvers' signatures shall be submitted to the designated Accounting Associate.
5. Both People Navee expense report and hardcopy submissions are required.
6. If, for onsite reasons, an employee cannot submit the hardcopy of his/her expense report, the employee shall advise the Accounting Department and submit the hardcopy upon his/her return to the office.
7. Non-compliance may result in the delay or forfeiture of the reimbursement request.

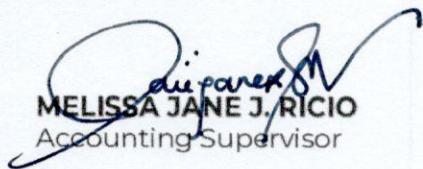
#### V. Release of Reimbursement

The reimbursement release schedule is as follows:

Submission Date	Release Date	Mode of Release
<b>20th calendar day</b> of the month	<b>Last calendar day</b> of the month	Payroll Credit
<b>5th calendar day</b> of the following month	<b>15th calendar day</b> of the following month	Bank Transfer

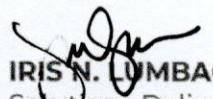
For your information and strict compliance.

Prepared by:



**MELISSA JANE J. RICIO**  
Accounting Supervisor

Reviewed by:



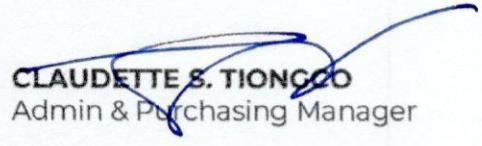
**IRIS N. LUMBAO**  
Solutions Delivery Division Manager



**MARIA CORAZON F. REYES**  
Sales & Marketing Division Manager

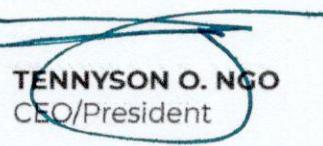


Noted by:

  
**CLAUDETTE S. TIONGCO**  
Admin & Purchasing Manager

  
**AIREEN KLAARISSA D. CORNEL**  
Human Resources Manager

Approved by:

  
**TENNYSON O. NGO**  
CEO/President