



Accounting Department
Memorandum No.:

FAD-2024-002

Date:

April 4, 2024

To:

All Sales & Marketing Division and
Admin & Support Division Employees

Subject:

Policy and Procedure on Revolving Fund and
Reimbursement

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 Sales & Marketing and Admin & Support 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) Sales Field Employees are individuals who work primarily outside of a traditional office setting, engaging directly with clients or customers to promote and sell products or services. They typically travel extensively, meeting with clients, conducting product demonstrations, negotiating deals, and closing sales.
- e) Rank and File Employees are office-based employees who do not hold managerial or supervisory positions.



- f) Leadership and Management Team comprise individuals who hold positions such as executive, division manager, department manager, unit manager, assistant manager, team lead, or supervisor within the organization.
- g) Marketing Expenses encompass expenditures involved in promoting products or services to potential customers. These costs may include advertising, promotional materials, events, and other initiatives aimed at enhancing brand visibility, attracting leads, and boosting sales.
- h) Sales Activity Expenses refer to meals and travel expenses of a Sales Field Employee during client visits and sales kickoffs.
- i) Representation refers to the expenses for clients including gifts, tokens, and meals.
- j) Celebratory Treats refers to business meals intended to commemorate special occasions, achievements, or milestones, serving as a morale booster or gesture of appreciation for employees. Expenses related to employee birthdays are excluded from Celebratory Treats. Only department managers and division managers are eligible for reimbursement of such expenses.
- k) Covered Expenditure refers to expenses covered by the revolving fund including sales activity expenses, representation, and celebratory treats.

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 make 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/ Assistant Manager	Sales Field Employees	Rank-and-File (office-based)
Onsite Meals	₱200.00 per day	₱200.00 per day	₱200.00 per day	₱200.00 per day
Transportation	Provision of applicable gas allowance	Provision of applicable gas allowance or gas stubs for provincial onsite travels	Allowable reimbursable amount or actual expense, whichever is lower	
Parking Fees	₱150.00 per trip	₱150.00 per trip	Not Applicable	Not Applicable
Toll Fees	Actual expense	Actual expense excluding Skyway	Not Applicable	Not Applicable
Representation (Gifts or Tokens, Kick-offs)	maximum of ₱2,000.00	maximum of ₱2,000.00	maximum of ₱2,000.00	Not applicable
Representation (meals with clients)	₱500.00 per pax per day	₱500.00 per pax per day	500.00 per pax per day	Not applicable
Celebratory Treats	₱250.00 per pax	₱250.00 per pax	Not applicable	Not applicable
One-on-One Coaching Session	500.00 per session per month	500.00 per session per month	Not applicable	Not applicable

2. The meals budget shall also cover:
 - a. Onsite meals shall be ₱200.00 per day; provided that, onsite activities (e.g. meetings, account management, demo presentations, etc.) shall not be less than four (4) hours excluding travel time; and
 - b. Pre-shift breakfast for authorized and scheduled shifts, including irregular shifts, not later than 6:45AM.
3. The transportation budget is exclusive for employees without vehicle assignment and shall include:
 - a. Subsidy for approved and authorized extended working hours beyond 9:45PM; and
 - b. Subsidy for all authorized Sales onsite trips.

Area of Pick-up / Drop-off	Allowable Reimbursable Amount
Quezon City (Katipunan, Mindanao Ave., Kamias, V. Luna, SM North, Munoz, E. Rodriguez, Roxas, G. Araneta)	₱200.00
Quezon City (Fairview, Sauyo, Tandang Sora)	₱300.00
Manila	₱200.00
Valenzuela / Caloocan	₱250.00
Rizal / Pasig / Marikina	₱300.00
Mandaluyong / San Juan	₱250.00
Makati	₱300.00
Taguig / Pasay	₱300.00
Alabang / Sucat / Bicutan / Southern Area	₱300.00
Bulacan / Northern Area	₱300.00

Transportation costs exceeding the allowable reimbursable amount shall be borne by the Employee. The following table shows the maximum reimbursable amounts allowed per trip per day.

4. 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.
5. 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.
6. The gas expense for provincial onsite travel shall not be included in the reimbursable amounts. This may be reimbursed from the Admin Department through the provision of gas stubs. The allowable amount for reimbursement with the Admin Department shall be calculated based on the actual distance traveled. Vehicle assignee requestors shall make gas stub requests through the designated Lark Approval.

III. Period of Submission

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.

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-Receipted	Acknowledgement receipt or transactions with proof of expense but no valid receipt
IT7	Input VAT - Capital Goods <P1M	Capital asset less than P1,000,000.00
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

- 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.
- Employees shall secure the approval of their respective immediate heads and division managers on the expense report.
- The hardcopy of the expense report with the attached receipts and approvers' signatures shall be submitted to the designated Accounting Associate.
- Both People Navee expense report and hardcopy submissions are required.
- 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 office.
- Non-compliance may result in the delay or forfeiture of the reimbursement request.

V. Release of Reimbursement

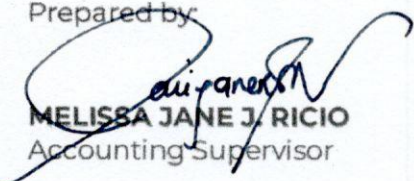
The reimbursement release schedule is as follows:

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

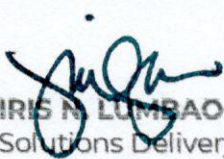



For your information and strict compliance.

Prepared by:

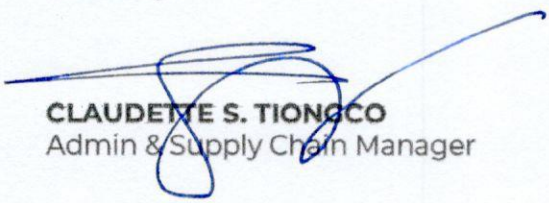

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