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I. GENERAL ACCOUNTING POLICIES AND GUIDELINES

A. ASSETS

1. Cash and Cash Equivalents


This account includes cash bills and coins, checks, money orders and/or other acceptable bills of exchange. Any item that will be accepted by the bank for immediate increase in the company' bank balances may be referred to as cash and may thus, be accepted as form of payment.

The Cash Equivalents are short term highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less from dates of acquisition and that are subject to an insignificant risk of change in value.


Bank reconciliation shall be prepared monthly by personnel independent of all cash functions, subject to review by a designated officer in the Accounting Department. Any bank error should be immediately brought to the attention of the depository bank and any error in bookkeeping should be immediately corrected by the necessary adjusting entry.

1.1 Accounting for cash receipts

- a. Employees who handle cash receipts should be given access to the accounting books and records.
- b. Collection shall be made only to the Cashier or designated Collection Officer(s) of the Corporation. To ensure recovery of any loss or shortage, said Collecting Officer or Cashier should be adequately bonded.
- c. All collection for the day should be turned over by the Collecting Officer to the Cashier daily.
- d. The Cashier shall deposit all collections intact at cut-off time daily. The cut-off time for depositing cash shall be 3:00 pm. All collections received after cut-off time shall be deposited on the next banking day.

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- e. All cash collections not deposited during the day shall be temporarily lodged to Cash on hand and should be reversed immediately the next banking day by Debiting Cash in bank. The amount should be placed in a sealed envelope in front of the Internal Auditor and let the Internal Auditor to place his/her signature/initial on the flap of the sealed envelope.
- f. Deposit slip shall be prepared in two (2) copies. The duplicate copy shall be retained in the Accounting files to support the entries to the Cash Receipts Book.
- g. Encashment of personal checks out of collection shall be prohibited. The Cashier shall be personally and administratively liable in the event that personal checks are accommodated out of company funds.
- h. Second endorsement checks shall not be accepted as payment.
- i. Procedural Guidelines
 - i.1 Payment of any nature received by the Cashier or Collecting Officer(s) shall be immediately acknowledged by issuance of a Receipt.
 - i.2 For collections by the Cashier for all types of collections (cash or check) and thru automatic crediting by the client (LBP), the original copy shall be immediately issued to the payor. If the collection was made by the Collecting Officer(s), the Cashier will issue authorization to receive the check collection in her/his behalf and the Collecting Officer(s) will issue the corresponding original Official Receipt to the payor.
 - i.3 The Official Receipts shall be issued in numerical sequence and all entries shall be written in ink. Carbon copies shall be exact reproduction of whatever was written on the original. Erasures and corrections, if unavoidable, shall be initialed by the Cashier or the Collecting Officer (s).
 - i.4 All ORs issued, including cancelled ORs, shall be entered daily in the Cash Collection Book. All copies of cancelled ORs should be accounted for.


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- i.5 All unused Official Receipts booklets shall be kept in a safe under the custody of an officer or employee other than those handling the preparation and issuance of Official Receipts. New booklets shall be issued upon surrender of used booklets.
- i.6 Whenever checks deposited are subsequently returned by the depository bank, the details of the check shall be recorded by the Cashier in a Register of Disbursed/Returned Checks containing relevant information such as name of drawer, date of issue, date of return, reason for return, etc. An accounting entry should be immediately made reversing the entry made when payment was received.

1.2 Cash Disbursement

Operating Guidelines


- a. As a general rule, all disbursement shall be made by check. For emergency and petty amounts of disbursements, however, payment may be coursed thru the Revolving Fund (refer to Section 1.3 of this Chapter for policies and guideline on Revolving Fund)
- b. Persons who are directly involved in making cash disbursement should not be given a bookkeeping functions.
- c. All cash disbursement shall be processed thru Disbursement Order which shall emanate from operating units handling the transaction. The claim for payments shall be duly supported by documents required under existing Accounting and COA regulations. (Please refer to Exhibit V.A for checklist of documents required for different types of disbursement claims.)
- d. Certification of the fund availability on the Disbursement Order shall be made but the Corporate Treasurer.
- e. Approval of the disbursement order shall be made in accordance with the codified approving authorities.
- f. Approved Disbursement Order shall be forwarded to the Cashier for check preparation.

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- g. A check writer shall be used for all company checks to be issued as a safeguard against possible alterations in the amount of the check.
- h. Check issuance shall be made in numerical sequence. Payment to the third parties in settlement of liabilities should be in company checks, regardless of amount.
- i. The Cashier shall be responsible in requisitioning company check books from the depository bank.
- j. All checks issued including cancelled checks shall be recorded daily in the Cash Disbursement Book. All cancelled checks should be accounted for.
- k. After release of payment, the Disbursement Order as well as the other supporting documents shall be stamped "PAID".

1.3 Revolving Fund Operations

- A.** A revolving fund shall be established on an imprest system of recording to meet disbursement of ₱10,000.00 and below. Under this method, the amount of the RF remains constants at ₱300,000.00 and any disbursement made out of the fund is charged to the proper expense account upon replenishment.
- B.** Any increase in the RF level shall be approved by the LBRDC Board.
- C.** The RF shall be placed in a separate cash box and should never be con-mingled with undeposited cash collections.
- D.** A Revolving Fund Custodian shall be designated to:
 - d.1 Process all cash advances and disbursement from RF.
 - d.2 See to it that the RF cash level is adequate at all time and it should be replenished at 25% utilization.

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- d.3 Handle all other clerical work related to the RF maintenance.
- e. The RF Custodian shall be adequately bonded to ensure recovery of any loss or shortage.
- f. From time to time, a surprise cash count shall be conducted by the Internal Auditor.
- g. No additional cash advance shall be given to an employee until the revolving fund advance previously granted has been fully liquidated.
- h. Liquidation of revolving fund cash advance shall be made by the employee within seven (7) and fifteen (15) calendar days for Metro Manila and outside Metro Manila respectively from the date of availment.
- i. Disbursement:
- i.1 Before disbursement, is made, a pre-numbered Revolving Cash Fund Voucher (RFV) Form (See Exhibit V.B) shall be prepared by the RF Custodian. This form consists of three (3) parts namely:
- Request for Revolving Fund – states the amount and purpose (s) of the cash advance and approved by the head of the finance department and passed audit by the Internal Auditor.
 - Revolving Fund Voucher or the “IOU” wherein the cash advance from the Revolving fund is documented.
 - Liquidation statement – this shall be filled up to show the actual amount of expenses and the amount of reimbursable or refundable, if any. Actual expenses should be duly supported by Official Receipt and other necessary documents.
- i.2 The Revolving Fund Voucher shall be accomplished in two (2) copies and distributed as follows:

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Original - Revolving Fund Custodian

Duplicate - Payee

- i.3 Disbursement from the Revolving Fund shall be approved by the head of the finance department and passed audit by the Internal Auditor.
- i.4 When expenditures are made, no journal entry is actually recorded. All unliquidated Revolving Fund plus all actual disbursement and total cash on hand shall be equal the fund level as established.
- j. Replenishment
 - j.1 When the fund is already 25% exhausted, the Custodian should request for a replenishment by way of accomplishing a Revolving Fund Replenishment and Disbursement Order (RF Form, Exhibit V.C)
 - j.2 The RFF shall contain a summary of the RFV to be replenished which shall be listed in numerical order, starting from the first RF No. covered by the replenishment. The summary shall include the following:
 - Date of RFF
 - RF Number
 - Breakdown of the total amount spent as to account title (e.g. travelling, gas and oil etc.)
 - Total amount of disbursement.
 - j.3 Upon replenishment, an accounting entry shall be made to record the actual expenses incurred as summarized in the RFF.
 - j.4 Regardless of the unused level of the fund, replenishment should be always be made at the end of the year before the financial statements are prepared and the books are closed, so that the expenditures from the RF will be reflected in the accounts on the period in which the expenditures are actually made.

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2. Receivables


A. Contract/Trade

Trade receivables are recognized and carried at original contract price or invoice amount less unrealized gain as applicable, and allowance for collectible amounts. An estimate for doubtful accounts is made when collection of the full amount is no longer probable.

This is used to record the amount of revenue claims against clients arising out of services rendered (e.g. construction, manpower and ropa management)

- a.1 Ordinarily, this is classified as current asset in the balance sheet. However, non-current amounts or those which are not expected to be collected until the next operating cycle should be properly segregated and reported under non-current assets.
- a.2 The allowance method of accounting for bad debts shall be used to recognize losses from uncollectibles. Under this method, an allowance account is used to indicate the estimated amount of uncollectibles receivables. The account is reflected as a contra to the controlling receivables account, and the individual subsidiary accounts are left intact.
- a.3 In estimating the amount of bad debts provision, management shall be responsible in determining when to conduct an examination of individual accounts. On the basis of said individual review of accounts, management shall determine how much shall be provided as bad debts. The amount of bad debts provision may vary from one account to another, depending on the circumstances of each account.
- a.4 Writing off of accounts which are determined to be uncollectible shall be subject to approval of the Board of Directors, regardless of the amount involved. The write-off shall be done by charging the allowance for Bad Debts and crediting the Receivables account.

B. Notes Receivables

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This represents the amount of company claims against trade customers as evidenced by a promissory note, usually interest bearing.

- b.1 The employee in charge of receiving and safekeeping the promissory notes should be different from those handling bookkeeping functions.
- b.2 Notes receivable shall be booked at face value. Prepaid and accrued interest pertaining to the notes should be recognized in separate accounts.
- b.3 For purposes of determining bad debt provisions, same procedure as in trade/contract receivables shall be followed.

C. Installment Contract Receivable

This represents the claim of corporation against customers arising out of sale of properties under the installment payment plan.

- c.1 Title to the property sold remains with the Corporation until all payments are completed.
- c.2 The use of allowance contra account for uncollectibles is unnecessary due to the fact that the receivable balance maybe offset in full through the recovery of properties sold.


D. Receivable - Others

These refers to the amount of LBRDC's claims from various debtors arising from transactions which do not fall within the regular business of the corporation.

E. Inventories

3.1 Stationery and Supplies

- a. Stationery and supplies shall be booked as asset upon purchase/set up of payables. Actual usages and/or issuance to different units as reflected in the Requisition Slip (Exhibit a) shall be booked as expense with a corresponding credit to the asset account.

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- b. Actual expenses shall be allowed to the different units and correspondingly charged to their respective budgets.
- c. Costing of inventory shall be based on the Last-In-First-Out (LIFO) method.
- d. The accuracy of detailed inventory records shall be verified thru monthly physical inventory of items on hand. Actual inventory taking shall be done every month and a listing shall be made after the count.

1.2 Construction Materials

- a. These refers to all materials on stock which are directly identifiable to the construction of on-going or future projects which are placed in the LBRDC warehouse.
- b. Materials shall be recognized as asset upon purchase. Actual usages or issuance to construction units thru Withdrawal Slip (Exhibit) shall be charged to cost to be booked as Contract in Progress but the specific project should be identified in each entry. A subsidiary ledger shall be maintained for each project so that the company can keep track of total materials issued to individual projects.
- c. Physical inventory taking shall be made at least twice year or more often as needed, to verify the physical existence of construction materials. Items on hand shall be prices using the Last-In-First-Out (LIFO) inventory method.

1.3 Janitorial Supplies


- a. Janitorial supplies shall be booked as asset upon purchase/set up of payables. Actual usages and/or issuance to manpower clients as reflected in the Requisition Slip (Exhibit a) shall be booked as expense with a corresponding credit to the asset account.
- b. Actual expenses shall be allowed to the different units and correspondingly charged to their respective budgets.

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- c. Costing of inventory shall be based on the Last-In-First-Out (LIFO) method.
- d. The accuracy of detailed inventory records shall be verified thru monthly physical inventory of items on hand. Actual inventory taking shall be done every month and a listing shall be made after the count.

F. Fixed Assets


- a. Fixed Assets are those properties acquired for active use in the operations of the corporation and whose economic service life is least one year and the cost involve per items is at least ₱10,000.00.
- b. The cost of fixed assets shall include not only the invoice price, but also other incidental expenses necessary to put the asset ready for use such as freight, insurance on board and initial installation charges.
- c. All capital expenditures shall be approved by authorized officials in accordance with the codified approving authorities.
- d. The cost of repairs and ma;
 - a. It will prolong the life span, improve efficiency and increase productivity of an existing asset and
 - b. The cost involved is worth at least 20% of the replacement cost
- e. The Administrative and Purchasing Department shall keep control of the asset by noting on the individual Fixed Assets Ledger card the location of the asset, the name of the accountable officer/employee, acquisition date and, cost. The Finance Department will book and record the corresponding cost, rate of depreciation and running balance.
- f. Detailed records of all properties shall be maintained and shall be verified by actual physical inventory at least once a year by the Property Custodian, A listing shall be prepared after the count. To facilitate reconciliation of periodic

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physical inventory against detailed records, tag numbers shall be assigned to all property items.

- g. Responsibility for physical inventory of all properties shall be assigned to personnel independent to the Internal Auditor.
- h. Property and Equipment still in service shall remain in the asset account even when fully depreciated. A nominal amount of 10% of the acquisition cost shall be retained as book value.
- i. Depreciation
 - a. Depreciation shall be booked monthly.'
 - b. Depreciation shall be computed on the "straight-line"
 - c. To facilitate the computation of depreciation, properties acquired or disposed from the 1st to the 15th of the month shall be considered as acquired or disposed at the start of the month, those acquired or disposed from 16th to the end of the month shall be considered as acquired or disposed at the start of the following month.
 - d. The estimated life span of properties for purposes of computing depreciation shall be as follows:

d.1 Building	30 years or based on appraised estimated useful life of the building
d.2 Vehicle	7 years
d.3 Furniture & Fixtures	5 years
d.4 Books	3 years
 - e. Major repairs and maintenance which have been capitalized shall be depreciated over the adjusted remaining useful life of the asset.
- i. Disposal
 - a. Modes of Disposal
 - a.1 Sale
 - In case of sale of fixed assets, the property account shall be relived of asset cost.

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- The accumulated depreciation account shall likewise relieved of the recorded depreciation of asset sold, and
- Any gain or loss on such shall be recognized in the corporation's books.

2.a Trade-In

Disposal of property of this nature occurs when an old asset is exchanged for a new asset, oftentimes with an additional cash payment given.

- The cost of the new asset, for purposes of computing depreciation shall be the sum of the book value of the old asset and the additional expenditure made in the acquisition;
- The property account shall be relieved of the old asset cost;
- The accumulated depreciation account shall likewise be relieved of the recorded depreciation on the old asset and
- Any gain or loss on such trade-in shall be taken up in the corporation's books.

a.3 Donation


This occurs when a property of LBRDC is given to an interested party without any monetary consideration.

- The remaining book value or scrap value of the asset shall be charged to "Donation and Contribution" expense account.
- The property account shall be relieved of the total acquisition cost.
- The accumulated depreciation account shall also be relieved of the total recorded depreciation on said asset.

a.4 Destruction

This mode of disposal is resorted to when any of the other modes are not practical or possible to implement.

- The property account shall be relieved of the total the acquisition cost.

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- The accumulated depreciation account shall also be relieved of the total depreciation on said asset.
- The remaining book value, if any, shall be recognized as loss on disposal of fixed assets.

A. LIABILITIES

Liabilities are incurred through purchase on merchandise or services on account, or borrowing from a bank or other sources. They shall be presented in the balance sheet in the order of maturity.

In the case of purchase of real estate on installment, the liability shall already exist even when title to the property does not pass yet to LBRDC. Likewise, liability for services rendered shall be recognized of when the billing therein is received.

When a particular transaction involves both an asset and a liability, the Corporation's balance sheet shall show the gross amount for both the asset and the liability, rather than merely the difference between them.


B. STOCKHOLDERS' EQUITY

1. Capital Stock

A separate account shall be set up in the ledger for each class of stock authorized, whether Preferred or Common Stock. With respect to each class of stock, the balance shall show:

- 1.1 The par value if any, or the fact that the stock is without par value, in which case the stated value, if any shall be shown;
- 1.2 The special rights appertaining to any class of stock;
- 1.3 The number of shares authorized, the number issued and outstanding; and the number, if any, subscribed for but not issued;
- 1.4 The capital in excess of par or stated value, if any, applicable to each class of stock; and
- 1.5 The balances of any subscriptions receivable.

Amounts received in excess of the par or stated value of shares shall be credited to paid-in surplus accounts, the titles of such accounts indicating the source of the credits. However, if capital stock is issued for less than par value, the discount shall be debited

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to a separate account and shown as a deduction in the Stockholders' Equity section of the Balance Sheet.

The Corporation may also sell stocks on a subscription plan in which the investor agrees to pay the subscription price at a future date or in a series of installments. Under such circumstances, there is a need for accounts to show the amounts receivable from the subscribers and the shares that have been subscribed for but are as yet unissued.

2. Retained Earnings

2.1 Correction of Prior Years' Earnings

Errors which have caused misstatements of the net income of prior periods shall be reported in the financial statements as adjustments to be retained earnings balance at the beginning of the period. Adjustments related to prior periods and thus excluded in the


Determination of net income for the current period are those material adjustments which:

- a. Can be specifically identified with and directly related to the business activities of particulars prior periods;
- b. Are not attributable to economic events occurring subsequent to the date of the financial statements for the prior period;
- c. Depend primarily on determinations by persons other than management; and
- d. We're not susceptible of reasonable estimation prior to such determination.

Correction of prior years' earnings which will materially affect the Corporation's income shall be elevated to the Board of Directors

2.2 Appropriation of Retained Earnings

The amount of LBRDC's Retained Earnings available for distribution to its stockholders may be restricted by action of the Board of Directors. The amount restricted known as appropriation or a reserve, shall remain part of the Retained

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Earnings account and be so classified in the financial statements of the Corporation.

An appropriation can be affected by transferring the desired amount from Retained Earnings to a special account designated for its purpose, such as Appropriation for Plant Expansion. When a portion or all of an appropriation is no longer needed, the amount shall be transferred back to the Retained Earnings account.

The details of Retained Earnings shall be presented in the balance sheet in the manner illustrated below, with the item designated as "Unappropriated" representing the balance:

Retained Earnings:

Appropriated:

For plant Expansion xxx

Unappropriated

Total Retained Earnings xxxx


C. REVENUES AND EXPENSES

i. Revenues

The Corporation shall adopt a combination of cash and accrual methods in accounting of revenues. Revenues derived from construction, property management, manpower services, brokering, rental and interest shall be recognized during the period when earned, regardless of the time of cash receipt, following the accrual basis. On the other hand, the cash basis of recognizing revenue shall be applied in taking up income generated from Sale of property on cash or installment, commission income and dividend income earned.

1.1 Installment Sales

For sale of property under the installment method, recognition of gross profit is deferred, it is only taken up in the proportion to amount collected. However, expenses are recognized in the period of their occurrence.

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In case of default on payments as specified in the contract, LBRDC may proceed to repossess the property sold and any loss from default and/or gain on repossession shall be reflected in the Corporation books.

1.2 Construction Contracts

If the project can be finished within the year, recognition of revenue shall be made upon completion of the construction. If the contract is beyond one (1) year, recognition of revenue shall be at the end of the project or end of LBRDC's accounting cycle, whichever comes earlier, using the percentage of completion basis. The progress report or Project Inspection Update Report (PIUR) shall be used as basis in computing the revenues under the percentage of completion method.

1.3 Property Management (ROPA)

1.4 Brokering Services


LBRDC's designated personnel shall obtain a license as Real Estate Broker (REB) in behalf of the corporation. The broker's commission shall be based on the client agency or corporation's final selling price/approved lease rate. As embodied in the approved LBP guidelines and policies on Accreditation of Real Estate Brokers (REB), the broker's commission shall be based on the Bank's final selling price/approved lease rate shall be subject to the following commission scheme:

a. In case of sale

Up to ₱10 million	-	5%
In excess of ₱10 million	-	3%

b. In case of lease

Broker's commission shall be an amount equivalent to one (1) month of lease rental per Approved Contract of Lease with a term of not less than one (1) year.

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Broker's commission to be paid shall be net of all applicable taxes.

Broker's commission shall be an amount equivalent to one (1) month lease rental per approved Contract of Lease with a term of not less than one (1) year.

1.5 Manpower Services

LBRDC shall provide complete job contracting services for janitorial and related work for various companies and institutions used in the performance of janitorial and related activities.


Recording of revenues shall be based on the billing statement prepared on a monthly basis. Monthly Contract Rate and actual billing shall vary depending on labor charges incurred (overtime, night differential and premium pay). The rates shall be adjusted in case future legally mandated wages increases and other charges. In compliance with Department Order No. 18-A in no case shall be the agency fee (administrative cost) be less than 10% of the total reimbursable cost.

1.6 ACU Maintenance Service

LBRDC shall also undertake the repair of ACUs if and when requested/instructed by the branch/client. For defects/damages detected during the conduct of periodic preventive maintenance, the LBRDC ACU Technician shall recommend repair of a unit when necessary.

Revenue shall be computed on the length of time required to complete the repair works. A minimum of ₱500 shall be charged. In excess of the first four (4) hours, an additional ₱150 for every hour of work or a fraction thereof shall be charged.

In case of the repair quotation shall be at actual cost of replacement parts, supplies and labor cost plus the corresponding service fee of ten(10%) percent.

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ii. Expenses

The accrual basis shall be utilized in accounting for the corporation's expenses. Reporting of expenses shall be in the period in which they are incurred, regardless of when payment is made.

Expenses incurred shall be allocated monthly to the concerned units and correspondingly charged to their respective budgets.


DETAILED ACCOUNTING PROCEDURES

A. Detailed Procedures For Recording Of Accounting Transactions

1. CASH RECEIPTS

1.1 Payments are received by the Collecting Officer(s)

Responsible Person(s)	Activities
Collecting Officer(s)	<ol style="list-style-type: none"> 1. Upon receipt of cash/checks or other acceptable form of payment, prepares Official Receipt (OR) in three (3) copies. 2. Issues the original copy of OR to payor. 3. Prepares summary of collections for the day and transmits the same together with all collection made and remaining copies of OR to the Cashier.
Cashier	<ol style="list-style-type: none"> 4. Receives collections from Collecting Officer(s) and validates entries in the OR. 5. Prepares deposit slip in two (2) copies and makes actual deposit of all collections in depository bank. 6. Enter collections received and deposits made during the day in Cash Book.
	<ol style="list-style-type: none"> 7. Forward triplicate copy of OR and duplicate copy of deposit slip to Accounting Unit. 8. Prepare Daily Collection Report the next working day to reconcile balance per book


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	<p>as against balance per bank (snapshot issued by the depository bank).</p> <p>9. At the end of each month, prepares an abstract or schedule of monthly collections, deposits made and cash balances.</p>
Accounting Specialist	<p>10. Received triplicate copy of OR and duplicate copy of deposit slip.</p> <p>11. Verifies if the amount in the deposit slip tallies with the total amount of OR.</p> <p>12. Indicates in the deposit slip the number of OR covered by such slip.</p> <p>13. Prepares accounting entry on copy of OR and forward to Finance Manager for review.</p>


Responsible Person(s)	Activities
Finance Manager	<p>14. Reviews accounting entry:</p> <p style="margin-left: 20px;">a. If entry is correct, initials copy of OR and Returns OR to Account Analyst for encoding to JDE Oracle.</p> <p style="margin-left: 20px;">b. If there is an error in the entry return OR with the documents attached to Account Analyst for correction/adjustment.</p>
Account Specialist	<p>15. If the entry is correct, encodes the accounting entry to JDE Oracle Accounting System and print the Receipt Journal Report for validation of the Accounting Supervisor.</p> <p>16. Files copies of Official Receipt and other documents.</p> <p>17. After end the month, print the monthly Receipt Journal Report for reference.</p>

1.2 Payments are received by the Cashier

Responsible Person(s)	Activities
Cashier	<p>18. Upon receipt of cash, check or other acceptable form of payment, prepares OR in three (3) copies.</p> <p>19. For collection in:</p>

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	<ul style="list-style-type: none"> a. Cash <ul style="list-style-type: none"> ✓ Validate OR ✓ Immediately issues original copy of OR to the payor. b. Checks <ul style="list-style-type: none"> ✓ Issues original copy of OR to the payor ✓ If checks if Post Dated, Issue Provisional Receipt and hold release of OR until check is cleared.
	<ul style="list-style-type: none"> 20. Prepares deposit slip in two (2) copies and makes actual deposit of all collections in depository bank. 21. Enters collections received and deposits made during the day in Cash Book. 22. Forwards triplicate copy of OR and duplicate copy of deposit slip to Accounting Office/Unit. 23. When checks received are cleared, sends original copy of the validated OR to payor.
Account Specialist	<ul style="list-style-type: none"> 24. Receives triplicate copy of OR and duplicate copy of deposit slip. 25. Verifies if the amount in the deposit slip tallies with the total amount of OR. 26. Indicates in the deposit slip the number of OR covered by such slip. 27. Prepares accounting entry on copy of OR and forward to Finance Manager for review.
Finance Manager	<ul style="list-style-type: none"> 28. Reviews accounting entry: <ul style="list-style-type: none"> c. If entry is correct, initials copy of OR and Returns OR to Account Analyst for encoding to JDE Oracle. d. If there is an error in the entry return OR with the documents attached to Account Analyst for correction/adjustment.
Account Specialist	<ul style="list-style-type: none"> 29. If the entry is correct, encode the accounting entry to JDE Oracle Accounting System, If adjustment is needed, proceeds to the correction of entry and goes back the Activity 12.

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	<p>30. Files copies of OR and deposit slip together with the Daily Cash Position Report.</p> <p>31. After end the month, print the monthly Receipt Journal Report for reference.</p>
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2. CASH DISBURSEMENT

Responsible Person(s)	Activities
Bookkeeper IV	<p>32. Prepares processing of voucher payable as follows:</p> <ul style="list-style-type: none"> Obtains/checks all supporting documents required and Purchase Ledger Report from Purchasing and Requesting Unit.
	<ul style="list-style-type: none"> Matches the Purchase Order thru JDE Oracle Procurement System (after matching, automatic voucher and accounting entries will be generated.) Verifies/validates documents and prepare accounting entries for the disbursement not process by the Procurement System and encode Standard Voucher to JDE Oracle Accounting System RE: AP Modules Print/sign/forward the print out of Journal Voucher Report to Accounting
	<ul style="list-style-type: none"> Supervisor/Finance Manager for validation/approval/posting
Finance Manager	<p>33. Review the accounting entries thru JDE Oracle encoded entries.</p> <p>34. If the encoded entry is correct, approve/post transaction and sign/approve the Journal Voucher Report and return the same to Bookkeeper for Disbursement Order preparation.</p> <p>35. If there's an error/correction, return the print out of Journal Voucher Report together with the attached documents and effect the correction/adjustment to Bookkeeper IV.</p>
Bookkeeper IV	<p>36. Effect the correction to JDE Oracle Accounting System.</p>

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	37. Print the revised Journal Voucher Report, sign and forward the same to Accounting Supervisor for validation/approval/posting to JDE Oracle.
Finance Manager	38. Validates/approves/posts the correction to JDE Oracle Accounting System. 39. Sign the Journal Voucher Report as approved for preparation of disbursement order.
Bookkeeper IV	40. Initiates processing of disbursement claim by preparing three (3) copies of Disbursement Order and typing all the pertinent information therein. Including the accounting entries. 41. Forward the same to Account Specialist for checking.
Account Specialist	42. Checks the Disbursement Order based on the Payment Register print out. Validate the entries and amount/payment, sign the and 43. Forward the same to Accounting Supervisor/Finance Manager.
Finance Manager	44. Double checks/reviews correctness of entries, and validity of payment based on the Payment Register, sign and 45. Forward the same to Internal Auditor for audit review, sign and 46. Forward the same to Corporate Treasurer.
Corporate Treasurer	47. Certifies availability of funds on the Disbursement Order, based on the approved budget.
Approving Authority	48. Sign the Disbursement Order.
Cashier	49. Prepares the checks/EMT/Fund Transfer in accordance with Disbursement Order and attached Purchase Order (indicate the method of payment to suppliers)
Approving Authority	50. Reviews and approve the check/Electronic Money Transfer/Fund Transfer.

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Cashier	51. Release the payment to payee. Stamps "PAID" on Disbursement Order and all supporting documents/papers. 52. Forward the duplicate copy of Disbursement Order to Accounting Clerk/Bookkeeper IV for futures reference/file.
Account Specialist/Bookkeeper IV	53. At the end of the month, generate the report/print out of Payment Register/Cash Disbursement, Journal Voucher Report/Accounts Payable Book for validation of accounting transaction and preparation of management financial reports.
Account Specialist/Bookkeeper IV	54. Stamp/sign "Prepared by" at the bottom portion of the last page of printed reports and forward the same to Accounting Supervisor.
Account Specialist	55. At the end of the month, generate the report/print out of Receipt Register/Cash Receipts for validation of accounting transaction and preparation of management financial reports. 56. Stamp/sign "Prepared by" at the bottom portion of the last page of printed reports and forward the same to Accounting Supervisor.
Finance Manager	57. Stamp/sign "Approved by" at the bottom portion of the last page of printed reports. 58. Forward the printed reports to Accounting Clerk/Bookkeeper IV/Account Analyst for file.

3. Revolving Fund Disbursement (cash advance availment)

Responsible Person(s)	Activities
Bookkeeper	59. Checked RFV and attachments and prepare accounting entries in the voucher.
Finance Manager	60. Approves and signs RFV
Internal Auditor	61. Checks and signs the RFV for passed in audit

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Cashier	62. Checks the RFV if properly approved and release amount.
LBRDC Employee(requesting employee)	63. Signs in the "Received by" portion of RFV

4. Revolving Fund Disbursement (Liquidation)


Responsible Person(s)	Activities
LBRDC Employee (requesting party)	64. Request Cashier to retrieve RFV and refund the unused amount or reimburses the shortages.
Cashier	65. Indicates in the liquidation statement the actual expenses incurred, amount per RF receipt, amount refundable/payable. 66. Receives the amount refundable or pays for the amount payable, put initials and date on portion of refundable/payable amount.
LBRDC Employee(requesting party)	67. Signs the "payee" portion of the liquidation statement of RFV.
Cashier	68. Stamp the documents: ➤ If Cash Advance - "for liquidation: ➤ If liquidated already - " liquidated"
Bookkeeper	69. Indicates the accounting entry in the RFV
Finance Manager	70. Checks accounting entries and approves the liquidation statement of the RFV.
Internal Auditor	71. Reviews the transaction and signs the RFV

5. Replenishment of Revolving Fund – if 25% exhausted, The RF Custodian shall request for the replenishment of fund.

Responsible Person(s)	Activities
Cashier	72. Prepares Summary of Revolving Fund (RF) to be Replenished which includes : ➤ Date of RFV ➤ RFV No. listed in chronological order ➤ Payee ➤ Particulars

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	<ul style="list-style-type: none"> ➤ Accounting Entries and account to be charged ➤ Total amount of disbursement
Bookkeeper	73. Checks the summary of the RF against the un- replenished RFV.
Internal Auditor	74. Reviews and signs the Summary of RF
Finance Manager	75. Approves and signs the Summary of RF 76. Forward the same to Bookkeeper IV for preparation of Accounts Payable Voucher (APV).
Bookkeeper IV	77. Prepares the APV in two copies with accounting entries and signs the APV as maker.
Account Specialist	78. Checks the APV and signs in the APV as checker.
Internal Auditor	79. Reviews the accounting entries against the Summary of RF and signs the APV.
Finance Manager	80. Approves and signs the Accounts Payable Voucher (APV). 81. Forward the same to Bookkeeper IV for Disbursement Order (D.O.) preparation.
Bookkeeper IV	82. Prepares and signs the Disbursement Order (DO). 83. Secures duplicate copy of APV. 84. File all approved APV for the day. 85. Forward the same to Cashier for debit advice preparation
Cashier	86. Certifies the completeness of documents and signs in the Disbursement Order. 87. Prepares the Authority to Transfer in three (3) copies. 88. Forward the same to Account Specialist for checking.
Account Specialist	89. Checks and signs the Disbursement Order. 90. Forward the same to Finance Manager.
Finance Manager	91. Signs the DO and affix initial to the duplicate copy of the Authority for Fund Transfer and forward the same to Internal Auditor
Internal Auditor	92. Reviews and signs the DO for pre-audit.
	93. Forward the same to Cashier to secures approval.

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Cashier	94. Forward the DO and Authority for Fund Transfer to approving signatories. 95. Upon approval, forward the Authority for Fund Transfer to LBP Cash Department for credit to Cashier’s deposit account. 96. Withdraws the replenishments made and safe keep the amount to the revolving fund cash box. 97. Records replenishment made in the Revolving Fund.
	98. Signs in the “payment received by” portion of the Disbursement Order. 99. Stamp “paid” all supporting documents and schedules attached in the Disbursement Order.

6. Non-Cash Transaction

Responsible Person(s)	Activities
Account Specialist	100. Receives supporting documents/schedules for the recognition of Non-cash transactions (i.e. accrual, depreciation, amortization, adjustment etc.) 101. Prepares accounting entries to record non-cash transaction based on supporting documents. 102. Encode the accounting entries to JDE Oracle Accounting System. 103. Generate/Print the Transaction Journal and forward the same to Accounting Supervisor/Finance Manager.
Finance Manager	104. Record accounting validates the accounting entries encoded to JDE Oracle and the completeness of supporting documents. a. If entries are correct and supporting documents are complete b. Stamp “Checked by/Approved by” at the bottom portion of the last page of printed reports and forward the same to Internal Auditor for audit review.

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Internal Audit Specialist	105. Double-check and reviews the journal voucher, sign and return to Account Specialist for file.
Account Specialist	106. At the end of the month, generate/print the Transaction Journal/General Journal Entry for validation of accounting transaction and preparation of management financial reports.

7. Maintenance of Subsidiary Ledgers and Preparation of Schedules

Responsible Person(s)	Activities
Bookkeeper IV/Bookkeeper/Accounts Specialist	107. Post accounting entries in the Subsidiary Ledger. 108. At the end of the month prepares various schedules.
Finance Manager	109. Reviews and checks the accuracy of schedules and subsidiary ledgers. Signs in the "checked by" portion of the schedules and return to prepare for filing.

8. Maintenance of General Ledger

Responsible Person(s)	Activities
Bookkeeper	110. Records accounting entries in Special Journals (i.e. Accounts Payable Book, Journal Voucher, Cash Receipt Book and Cash Disbursement Books) Post accounting entries in the Subsidiary Ledger.
Account Specialist	111. Reviews Trial Balance (Working Paper) by counter-checking with the balances in the General Ledger. 112. Prepares necessary adjustment, if any (in support for the preparation of Adjusted Trial Balance). Forwards adjustments to Finance Manager for review.
Finance Manager	113. Reviews the Journal Voucher and return to Account Specialist to effect the adjustment to Trial Balance (working paper).


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Account Specialist	114. Prepares Adjusted Trial Balance (working paper). 115. Prepares Financial Statements.
Finance Manager	116. Checks and approves the Journal Voucher, Trial Balance and Financial Statements. 117. Prepares the management reports (Statement of Income by business type, Balance Sheet. Financial Analysis and Schedule of Property Management and Manpower Service Income. 118. Forwards the same to PGM for approval.
President and General Manager	119. Approves the Management Reports
Finance Manager	120. Submits the financial statements to management (executive committee and board members) and other regulatory bodies in need of the reports.


9. Payroll Processing

- a. Workers, contractual, project engineer, regular employees and manpower staff from Calumpit, Norzagaray, LIBI and Ajinomoto.

Responsible Person(s)	Activities
Acting Manpower Services Assistant	121. Receives payroll documents. 122. Checks/verifies completeness and accuracy of the documentation
	123. Checks if names of employees/workers in the Summary of Attendance are covered by contracts 124. Prepares computations of deductions or affix footnote (absences/deductions) in the Summary of Attendance. 125. Signs in the "Checked by" portion of the Summary of Attendance (for Manpower staff and workers only) 126. Forwards payroll documents to authorized signatories for approval. 127. Checks and signs Summary of Attendance with computations of deductions and computations of overtime claims.

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	128. Encodes the payroll data in the Balmori Sure Paymaster System.
Internal Auditor	129. Call backs/validates inputted data in the payroll system.
Acting Manpower Services Assistant	130. Generates payroll sheets and forwards payroll documents to HR Assistant.
HR Assistant	131. Checks the Payroll Sheet
Acting Manpower Services Assistant	132. Prepares Account Payable Voucher(APV) in two (2) copies with accounting entry and signs the APV.
Account Specialist	133. Checks the accounting entry made by the Acting Manpower Services Assistant and signs the "checked by" portion of the APV
Internal Auditor	134. Reviews the accounting entry against supporting documents (payroll sheets and timesheet records, etc.) and signs in the APV.
Finance Manager	135. Approves and signs the APV and Payroll Sheet (Proof Sheet) and forward the same to Acting Manpower Service Assistant for preparation of Disbursement Order.
Acting Manpower Service Assistant	136. Prepares Disbursement Order and sign the Disbursement Order (DO) and forwards to Account Specialist for checking.
Account Specialist	137. Encodes the net amount of payroll to be credited to employees thru LBP Payroll Crediting System (PacsVal) 138. Prepare Bank Advice/Debit Authority 139. Generate Payroll Register Report in 3 copies and saves it in diskette in the presence of the Internal Auditor
	140. Checks Total Credit Amount in the Payroll Register Report against the Total Net Pay Amount in the Payroll Sheet (Proof Sheet) put initial in the documents. 141. Witnesses the saving of Payroll Register Report in the diskette by Account Specialist.

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	142. Receives the diskette from the Account Specialist and place in an envelope, properly seals the same and affixes signature on the flap of the envelope.
Cashier	143. Prepares Application for Electronic Money Transfer form (EMT) only for local workers.
Finance Manager	144. Review and signs the documents. 145. Forwards the same to Cashier for securing approval from the authorized signatories
Cashier	146. Secure approval for funds availability from the treasurer and General Manager for final approval.
Treasurer and President and General Manager	147. Signs and approves the documents.
Cashier	148. Forwards diskette in a sealed envelope with supporting payroll documents to LBP Cash Department: <ul style="list-style-type: none"> • Bank Advice/Debit Authority • Approved EMT 149. Files payroll documents for post Audit.

c. LBRDC Officers.


Responsible Person(s)	Activities
Administrative Assistant/Secretary	150. Encodes payroll data in the Balmori SURE Pay System. 151. Generate Proof Sheet and encodes the net amount of payroll to be credited to officers
	thru LBP Payroll Credit System (PacsVAL) 152. Generate Proof Sheet and Payroll Register Report to Internal Auditor.
Internal Auditor	153. Checks the total credit amount in the Payroll Register against the total net pay amount in the Payroll Sheet. Put initials in the documents 154. Witnesses the savings of Payroll Register Report in the diskette by the Administrative Assistant/Secretary.

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	155. Receives the diskette from the Administrative Assistant/Secretary and place in an envelope, properly seals the same and affix signature on the flap of the envelope.
Administrative Assistant/Secretary	156. Prepares Debit Authority and forwards payroll documents to authorized signatories: <ul style="list-style-type: none"> • Payroll Sheet • Payroll Register Report • Debit Authority 157. Signs and secure approval of all the payroll documents from authorized signatories 158. Forwards diskette and debit authority to LBP Cash Department. 159. After, submission, prepares accounting entries, initials the same and forward to Account Specialist for booking. 160. Files payroll documents.
Account Specialist	161. Prepares the Journal Voucher and sign the vouchers. 162. Forward the same to Finance Manager for review and approval.
Finance Manager	163. Reviews the supporting documents and accounting entries and forwards the same to Internal Auditor for audit.
Internal Auditor	164. Reviews and authenticate the documents and sign the portion of "passed in Audit" and forward the same to Bookkeeper for recording.
Bookkeeper IV	165. Record the accounting transaction to General Journal Voucher or encodes to JDE Accounting System. 166. Files the documents.


c. LBP Janitors

Responsible Person(s)	Activities
Accounting Clerk	167. Extract the USB from the Biometrics machine to which was previously check and validate by the Human Resource Assistant to register attendance of all


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	<p>the janitors to Mustard Seed Payroll System.</p> <p>168. Encodes and update the shifting schedule of each janitor.</p> <p>169. Receives all Approved Requisition of Janitorial Assistance (RJA) to validate overtime pay and</p>
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Responsible Person(s)	Activities
	<p>170. Attendance of all janitorial relievers.</p> <p>171. Validate each RJA per attendance report to authenticate the payment of overtime pay.</p>
Internal Auditor	172. Call backs/validates overtime pay and authorized duty of the janitorial relievers to the system.
Accounting Clerk	<p>173. After call back, generate Individual Attendance Report per janitor.</p> <p>174. Forward the same to Human Resource Assistant for signatures.</p>
Human Resource Assistant	<p>175. Secures signatures of the following:</p> <ul style="list-style-type: none"> • Janitors • Supervisor • Administrative and General Services Manager • Administrative Manager for LBP Janitorial <p>176. Checks the overtime claim of all janitors.</p> <p>177. Forward the same to Accounting Clerk for processing thru Mustard Seed Payroll System.</p>
Accounting Clerk	<p>178. Processes the payroll and generate the Payroll Journal.</p> <p>179. Prepares Accounts Payable Voucher.</p>
Account Specialist	180. Checks the Account Payable Voucher and all supporting documents, signs and forward the same to Internal Auditor for audit purposes.
Internal Auditor	181. Validate and audit the Accounts Payable Voucher and all supporting documents and affixes signature to "passed In audit

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	portion" and forward the same to Finance Manager for approval.
Finance Manager	Approves the Accounts Payable Voucher and forward the same to Accounting Clerk for preparation of Disbursement Order.
Accounting Clerk	182. Prepares Disbursement Order based on the approved voucher. 183. Forward the same and all documents to Property Management and Manpower Services Manager (PMMS Manager) to certifies the expenses incurred.
Property Management and Manpower Services Manager	184. Signs the Disbursement Order and forward the same to Account Specialist for checking and encoding of net amount to payroll crediting system.
Account Specialist	185. Reviews and validates the Disbursement Order as against the approved voucher. 186. Encodes the net amount of payroll to be credited to employee thru LBP PacsVAL. 187. Prepares Bank Advice/Debit Authority. Generates Payroll Register Report in three (3) copies and saves it in a diskette in the presence of the Internal Auditor.
Internal Auditor	188. Checks the total credit amount in the Payroll Register against the total net pay amount in the Payroll Sheet. Put initials in the documents 189. Witnesses the savings of Payroll Register Report in the diskette by the Account Specialist. 190. Receives the diskettes from Account Specialist and place in an envelope, properly seals the same and affixes signature on the flap of the envelope.
Finance Manager	191. Review and signs the documents. 192. Forwards the same to Cashier for securing approval from the authorized signatories
Cashier	193. Secure approval for funds availability from the treasurer and General Manager for final approval.
Treasurer and President and General Manager	194. Signs and approves the documents.

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Cashier	195. Forwards diskette in a sealed envelope with supporting payroll documents to LBP Cash Department the Debit Authority. 196. Files payroll documents for post Audit.
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A. Detailed Procedures For Financial Statement Preparation

Responsible Person(s)	Activities
Account Specialist	197. Prepares Trial Balance (working paper) at the end of the month. 198. Generate Trial Balance and signs in the "prepared by" portion of the report. 199. Forward the same to Finance Manager for review.
Finance Manager	200. Review Trial Balance by counter checking with the balances in the General Ledger Book.
Finance Manager	201. Prepares necessary adjustment noted if any, and forwards adjustment to Account Specialist for preparation of Journal Voucher.
Account Specialist	202. Prepares Journal Voucher for the adjustment.
Finance Manager	203. Reviews and signs the Journal Voucher and forward the same to Internal Auditor for audit.
Internal Auditor	204. Validate and signs the Journal Voucher and forward the same to Account Specialist to effect the adjustment to Trial Balance.
Account Specialist	205. Prepares the adjusting Trial Balance and financial statements. 206. Affixes signature to the prepared by portion of and forward the same to Finance Manager for the preparation of management report.
Finance Manager	207. Reviews and signs financial statements. 208. Prepares management report for approval of the President and General Manager and presentation to the executive committee and LBRDC board.

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	209. Forward the same to the President and General Manager for approval.
President and General Manager	210. Approves the management report and return to Finance Manager.
Finance Manager	211. Submits the management report to management and regulatory bodies.