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A

MANUAL ON HOSPITAL FINANCIAL MANAGEMENT

PART 1

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AUTONOMOUS GOVERNMENT HOSPITAL CORPORATION

FINANCIAL MANAGEMENT MANUAL (Part I)

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1.0 PURPOSES

This Financial Accounting Manual presents and illustrates the developed systems, policies and procedures for the Autonomous Government Hospital Corporation with the following objectives:

- 1.1 To institute uniform procedures in the management and control of funds made available to the Autonomous Government Hospital Corporation, by providing specific guidelines and procedures for the proper handling, recording, accounting and monitoring of the funds; and
- 1.2 To define responsibilities in the accounting and reporting of financial transactions and to guide the concerned officers and staff in the performance of their duties.

This Manual covers the hospital's financial information system from documentation of the financial transactions to the preparation of financial reports for use by hospital's management and government regulatory agencies such as the COA, BIR, SEC, etc. The forms to be used, policies and general rules/guidelines and specific procedures are likewise provided in detail.

2.0 THE AUTONOMOUS GOVERNMENT HOSPITAL CORPORATION

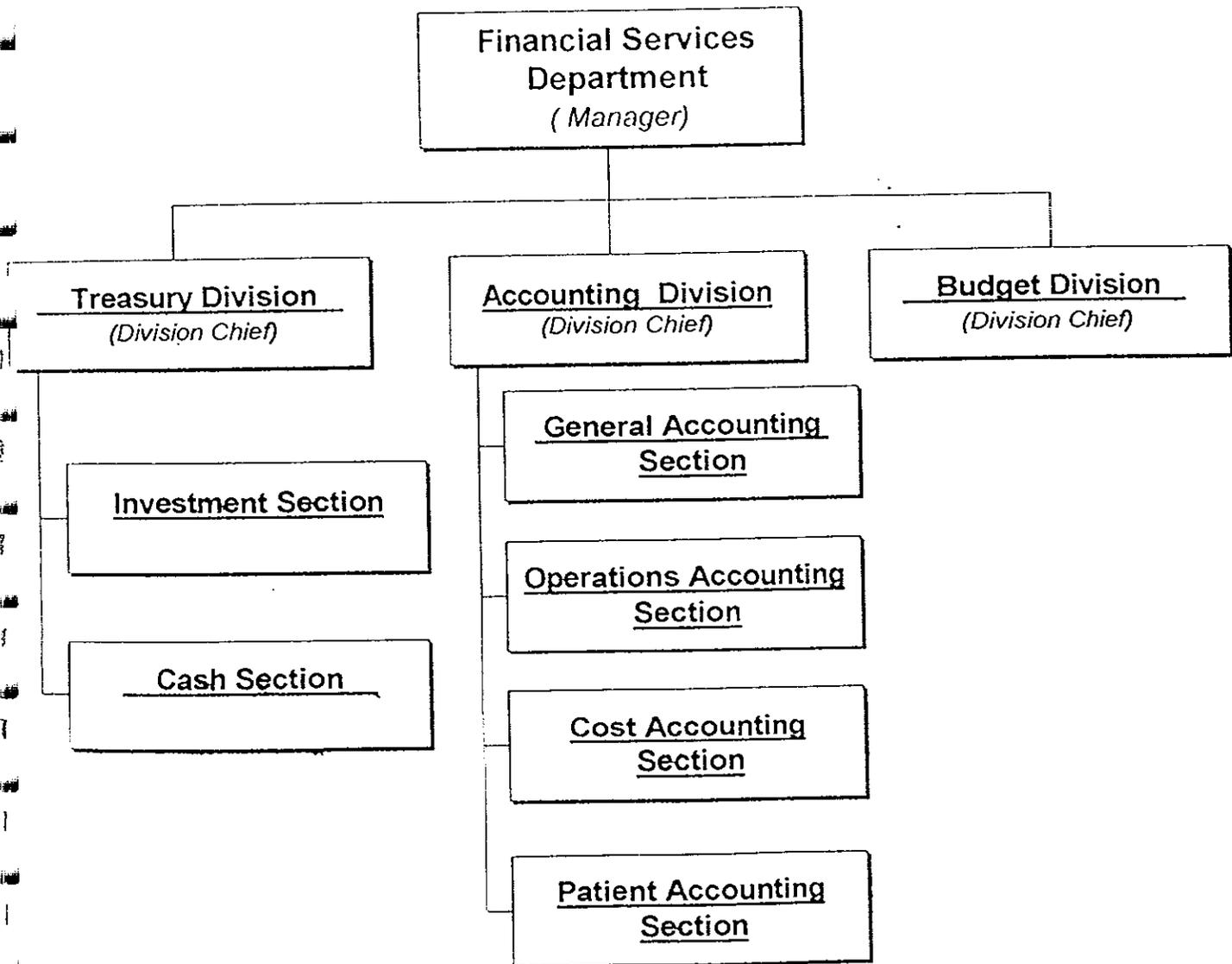
- 2.1 Creation and Legal Basis
- 2.2 Powers and Functions of the Hospital Corporation

II. ORGANIZATIONAL STRUCTURE AND FINANCIAL SERVICES DEPARTMENT FUNCTIONS

AUTONOMOUS GOVERNMENT HOSPITAL CORPORATION

ORGANIZATIONAL CHART

Financial Services Department



AUTONOMOUS GOVERNMENT HOSPITAL CORPORATION
FUNCTIONAL CHART
Financial Services Department

**Financial Services
 Department**

- * provides the necessary & proper technical advice in all financial matters; and
- * oversees the proper, efficient and effective implementation of financial policies.

Treasury Division
 (Division Chief)

Investment Section

Cash Section

Accounting Division

- * directs and supervises the proper implementation of the hospital's accounting system, & the keeping of its books of accounts while ensuring conformity of accounting documents and reports with existing laws, rules and regulations;
- * prepares periodic financial statements for management's use and for submission to other government entities as required.

Budget Division

- * prepares, in conjunction with other officers and department heads, an annual budget covering all activities of the hospital for submission to the Board of Directors prior to the beginning of the fiscal year;
- * maintains an adequate record of authorized appropriations and determines that all sums expended are properly accounted for

General Accounting Section

- * records and summarizes all the financial transactions of the hospital in order to provide an accurate statement of financial condition & operating results

Operations Accounting Section

- * process all payment of vouchers, payrolls, etc. while ensuring that supporting documents are correct, complete & valid; that funds are available

Cost Accounting Section

- * computes, updates & recommends rates on all hospital procedures;
- * takes and costs all physical inventories of the hospital

Patient Accounting Section

- * records & collects all patient charges;
- * performs financial counselling

III. POLICIES AND GENERAL GUIDELINES

1.0 FUNDAMENTAL PRINCIPLES

- 1.1 The transactions and operations of the Autonomous Government Hospital Corporation shall be governed by the policies, rules and regulations set forth in the Government Auditing Code of the Philippines (PD 1445), to wit:
- a. No money shall be paid out of any public treasury or depository except in pursuance of an appropriation law or other specific statutory authority.
 - b. Government funds or property shall be spent or used solely for public purposes.
 - c. Trust funds shall be available and may be spent only for the specific purpose for which the trust was created or the funds received.
 - d. Fiscal responsibility shall, to the greatest extent, be shared by all those exercising authority over the financial affairs, transactions and operations of the hospital corporation.
 - e. Disbursements or disposition of government funds or property shall invariably bear the approval of the proper officials.
 - f. Claims against government funds shall be supported with complete documentation.
 - g. All laws and regulations applicable to financial transactions shall be faithfully adhered to.
 - h. Generally accepted accounting principles and practices, as well as sound management and fiscal administration shall be observed, provided that they do not contravene existing laws and regulations.
- 1.2 The highest standard of honesty, objectivity and consistency shall be observed in the keeping of accounts to safeguard against inaccurate and misleading information [Section 111(2) PD 1445].

2.0 FISCAL PERIOD

- 2.1 For accounting and reporting purposes, the Autonomous Government Hospital Corporation shall observe for their fiscal year the period beginning

with the first day of January and ending with the thirty first (31st) day of December of each calendar year.

3.0 ACCOUNTING SYSTEM

- 3.1 The accounting system shall provide financial information that is useful in:
- assessing the stewardship and other aspects of the performance of public officials for which they are accountable;
 - planning, program selection and budgeting, and;
 - making decisions involving the effective and efficient allocation and control of government resources.
- 3.2 The accounting system shall ensure to satisfy the accountability requirements of those responsible for the conduct of government activities and operations and that controls for government resources are in place.
- 3.3 All financial transactions should be supported by sufficient, formal and written documents containing a complete and accurate description of the transactions, its peso amounts, its authorization and other substantiating authorization.
- 3.4 The accounts shall be kept in such detail as is necessary to meet the needs of the corporation and at the same time be adequate to furnish the information needed by fiscal entities of the government.
- 3.5 Financial transactions and operations shall be recorded in conformity with generally accepted accounting principles and in accordance with pertinent laws and regulations.
- 3.6 Financial transactions shall be recorded in appropriate journals and in a general ledger. Subsidiary records should be kept when necessary.
- 3.7 Accounting personnel must be properly trained, experienced and capable of communicating to the users of financial data.

4.0 RECEIPTS AND COLLECTIONS

- 4.1 Except as otherwise provided by law or competent authority all moneys officially received by the Hospital Corporation in any capacity or upon any occasion must be accounted for as corporate/government funds.
- 4.2 Collection of revenues and other receipts may be done by the cashier, or regularly appointed or duly designated collecting officers who shall be bonded in accordance with the rates prescribed in Treasury Order No. 01-95 dated December 5, 1995.
- 4.3 The cashier/collecting officer shall issue an official receipt for all collections received from whatever source.

5.0 EXPENDITURES

- 5.1 Adherence to government laws and regulations on expenditures of government funds shall be strictly observed. Section 103 of PD 1445 provides that expenditure of government funds or uses of government property in violation of law and regulations shall be a personal liability of the official or employee found to be directly responsible therefor.
- 5.2 All expenditures of the Hospital Corporation shall be supported by complete documentation and properly approved by authorized officials.
- 5.3 All expenditures shall comply with accounting and auditing rules and regulations.
- 5.4 All expenditures during the year shall be taken up in the accounts of that fiscal year.
- 5.5 Subsidiary ledgers shall be maintained for payables and other expenditures which the Hospital Corporation deem necessary.

6.0 INVESTMENTS

- 6.1 Funds of the Hospital Corporation may be deposited only in demand, savings or time deposit accounts with government financial institutions in pursuance to Letter of Instructions No. 1115 issued on March 18, 1981.

7.0 FINANCIAL REPORTING

- 7.1 Financial statements/reports are the means by which the information accumulated in the financial accounting process is periodically communicated to management and other users of the report.
- 7.2 Section 121 of PD 1445 provides:
- 7.2.1 The financial reports prepared by the agencies shall comply with the specific requirements of applicable laws and regulations as to nature, accounting basis, content, frequency and distribution as well as with all applicable restrictions pertaining to information that is classified for national security.
- 7.2.2 The financial statements shall be based on official accounting records kept in accordance with law and the generally accepted accounting principles and standards.
- 7.3 The financial statements shall be prepared from a trial balance and from the Hospital Corporation's accounting records. Generally, the financial statements consist of the Balance Sheet, Income Statement, Statement of Cash Flows and the notes/disclosures to the financial statements. Other statements/reports may be required by management and by government fiscal agencies.
- 7.3.1 *Balance Sheet* - shows the assets, liabilities and equity or networth of the hospital corporation. It gives information on the financial position of the corporation as of a given date.
- 7.3.2 *Income Statement* - shows a summary of revenues and expenses including gains and losses from extraordinary items and other receipts of the hospital corporation. The purpose of this statement is to communicate the results of operations of the corporation for a given period.
- 7.3.3 *Statement of Cash Flows* - shows the cash received from collections of payments of patients' bills, hospital procedures, etc. and other receipts minus the cash outflows or payments/disbursements made by the hospital corporation. It thus provides the net cash generated from the corporation's operations for a given period and is a useful basis in determining the hospital's profitability and financial condition.

7.3.4 *Notes to Financial Statements* - contains the explanation attached or made part of the financial statements containing the facts and other details or additional information necessary to better understand the financial statements.

The notes to financial statements should include the following:

- a) significant accounting policies such as policies on depreciation of assets, valuation of inventories, amortization, investment, fund revenues;
- b) breakdown and description of major accounts with significant balances;
- c) explanations on unusual items, extraordinary gains and losses and adjustments of prior year's accounts;
- d) restrictions and liens;
- e) subsequent events or events which happened or become known after the statement date which significantly affects the financial statements.

7.4 Fair presentation and reliability of financial statements is a responsibility of management. This responsibility is discharged by applying generally accepted state accounting principles and pertinent laws appropriate to the hospital corporation's operations; maintaining effective system of internal control; adhering to the prescribed chart of accounts; and preparing adequate financial statements.

Financial statements shall be prepared in accordance with the following standards of financial reporting:

7.4.1 *Fairness of presentation* - refers to overall propriety in disclosing financial information. Full disclosure in financial aspects requires observance of the following standards of reporting:

- a) All essential facts relating to the scope and purpose of each report and the period of time involved shall be included and clearly displayed.

- b) All financial data presented shall be accurate, reliable, and truthful. The requirement for accuracy does not rule out the inclusion of reasonable estimates when the making of precise measurements is impracticable, uneconomical, unnecessary, or conducive to delay. All appropriate steps should be taken to avoid bias and presentation of misleading information.
- c) Financial reports shall be based on official records maintained under an adequate accounting system that produces information objectively disclosing the financial aspects of all events or transactions taking place. Where financial data or reports based on sources other than the accounting systems are presented, their basis should be clearly explained.
- d) The form, content, and arrangement of each report shall be as simple as possible and designed to clearly communicate significant financial information to the users of the report.
- e) The amount of detailed information shown including explanatory notes as to unusual items, graphic presentations where appropriate and accompanying interpretative comment, shall be sufficient to provide a clear and competent report. However, unnecessary detail shall be avoided, particularly where the effect of this inclusion would be to obscure significant financial data.
- f) Financial performance in relation to statutory or other limitations prescribed by higher authority shall be specifically reported.
- g) The financial data reported shall be derived from accounts that are maintained in all material respects on a consistent basis from period to period; material changes in accounting policies or methods and their effect shall be clearly explained.
- h) Consistent and non-technical terminology shall be used in financial reports to promote clarity and usefulness.

7.4.2 *Compliance with prescribed requirements.* Financial reports prepared by government entities must comply with:

- a) The specific requirements of applicable laws and regulations as to nature, accounting basis, content, frequency and distribution.

- b) All applicable restriction pertaining to information that is classified for national security purposes.

7.4.3 *Timeliness.* All needed reports must be produced promptly to be of maximum usefulness. Reports should not be delayed and cost and efforts should not be incurred to produce relatively minor data.

7.4.4 *Usefulness.* Financial reports should be carefully designed to present information that is needed by and useful to the persons to whom the reports are sent.

8.0 ACCOUNTING RECORDS DISPOSAL

8.1 All accounting records shall be disposed in accordance with the guidelines prescribed under DECS Department Order No. 13-A dated February 3, 1988.

8.2 The holding period of accounting records as provided in the General Record Disposition Schedule of the DECS Order are as follows:

8.2.1 Vouchers and reports - ten (10) years provided they are post-audited, finally settled and not involved in any case.

8.2.2 Books of Accounts (Journals and Ledgers) and Financial Statements - disposal is not authorized.

IV. GENERAL ACCOUNTING PLAN

The General Accounting Plan (GAP) shows the overview of the overall accounting system of the Autonomous Government Hospital Corporation which includes the flow and accumulation of financial data, the conversion of the data into financial information, the source documents as well as its summarizing reports and the books of original and final entries including the subsidiary ledgers. The GAP also shows the financial reports that the system is capable to generate.

1.0 BASIC FEATURES

- 1.1 The Autonomous Government Hospital Corporation shall maintain Fund 501 or Corporate Fund.
- 1.2 The Hospital Corporation shall employ the commercial accounting system using the prescribed accounts in the Standard Government Chart of Accounts.
- 1.3 Subsidy contributions from the National Government shall be treated as non-operating income of the Hospital Corporation.
- 1.4 Equity investments made by the National Government shall be recorded as capital contribution in the books pursuant to existing rules and regulations of the Commission on Audit.
- 1.5 Government property shall be taken up in the books of the Hospital Corporation at acquisition cost or an appraised value.

2.0 SOURCE DOCUMENTS

A summary list of source documents, forms and reports used in the various systems and sub-systems including information on the purpose, frequency of preparation and the distribution of copies of documents and reports are shown at the end of this chapter while the different sample forms and instructions on the use of the forms/reports are attached as Annexes A to T.

3.0 THE BOOKS OF ACCOUNTS

The books of accounts to be used by the Autonomous Government Hospital Corporation shall consist of:

3.1 *Books of Original Entry* - for recording transactions in chronological order and shall consist of the following

- a) Voucher Register (VR) - special journal used to record all disbursements through approved Vouchers Payable.
- b) Journal of Checks Issued (JCI) - special journal used to record all checks issued by the Hospital Corporation
- c) Journal of Collections and Deposits (JCD) - special journal used to record all cash collections and deposits of the Hospital Corporation based on the Report of Collections and Deposits supported by duplicate copy of Official Receipts and validated deposit slips.
- d) Journal of Bills Rendered (JBR) - special journal used to record patients' Statements of Account issued by the Billing Section of the Hospital Corporation.
- e) General Journal (GJ) - journal used to establish and keep a permanent record of journal vouchers issued for transactions which cannot be recorded in any of the special journals.

3.2 *Books of Final Entry* - for classifying and summarizing the effects of the transactions on individual accounts.

- a) General Ledger (GL) - a book of final entry containing groups of accounts arranged in the same sequence as the Chart of Accounts and to which totals of amount columns of special journals and individual entries of the General Journal are directly posted.
- b) Subsidiary Ledger (SL) - book of final entry which contains the detail or breakdown of the balances of controlling accounts appearing in the General Ledger. Totals of subsidiary ledger balances are reconciled with their respective control account at the end of each month.

4.0 FINANCIAL REPORTS

Financial statements and trial balance of accounts appearing in the GL including supporting schedules shall be prepared monthly, quarterly and annually. The financial statements and supporting schedules are as follows:

4.1 Statements

- 4.1.1 Balance Sheet
- 4.1.2 Income Statement
- 4.1.3 Statement of Cash Flow

4.2 Schedules

- 4.2.1 Schedule of Cash
- 4.2.2 Schedule of Receivables
- 4.2.3 Schedule of Cash Advances
- 4.2.4 Schedule of short-Term Investments
- 4.2.5 Schedule of Accounts Payable
- 4.2.6 Schedule of Patient's Deposits
- 4.2.7 Schedule of Trust Fund

The format of the financial statements are shown as Annexes U to W.

5.0 GENERAL ACCOUNTING PLAN FLOWCHART

The General Accounting System consists of three sub-systems, namely

5.1 Receipts and Collections

This sub-system covers all processes from receipt/collection, deposit and accounting of payments by patients for hospital accounts and procedures, subsidies, donations, grants and all other receipt of the Hospital Corporation.

5.2 Expenditures

This sub-system is divided into two, namely:

- 5.2.1 Operational Expenses - covers the expenditures and disbursements made by the Hospital Corporation out of the Corporate Fund for operating expenses. It includes the three (3) broad categories of expenditures namely: Personal Services (PS), Maintenance and Other Operating Expenses (MOOE) and Capital Outlay (CO).

5.2.2 Payroll System - classifies payroll into regular and other payrolls. Regular payrolls refer to the payroll for regular salaries received by regular and casual employees. Other payrolls include all other claims of regular, casual or part time employees such as overtime, honoraria, representation and traveling allowances, differentials, bonus and cash gifts and others.

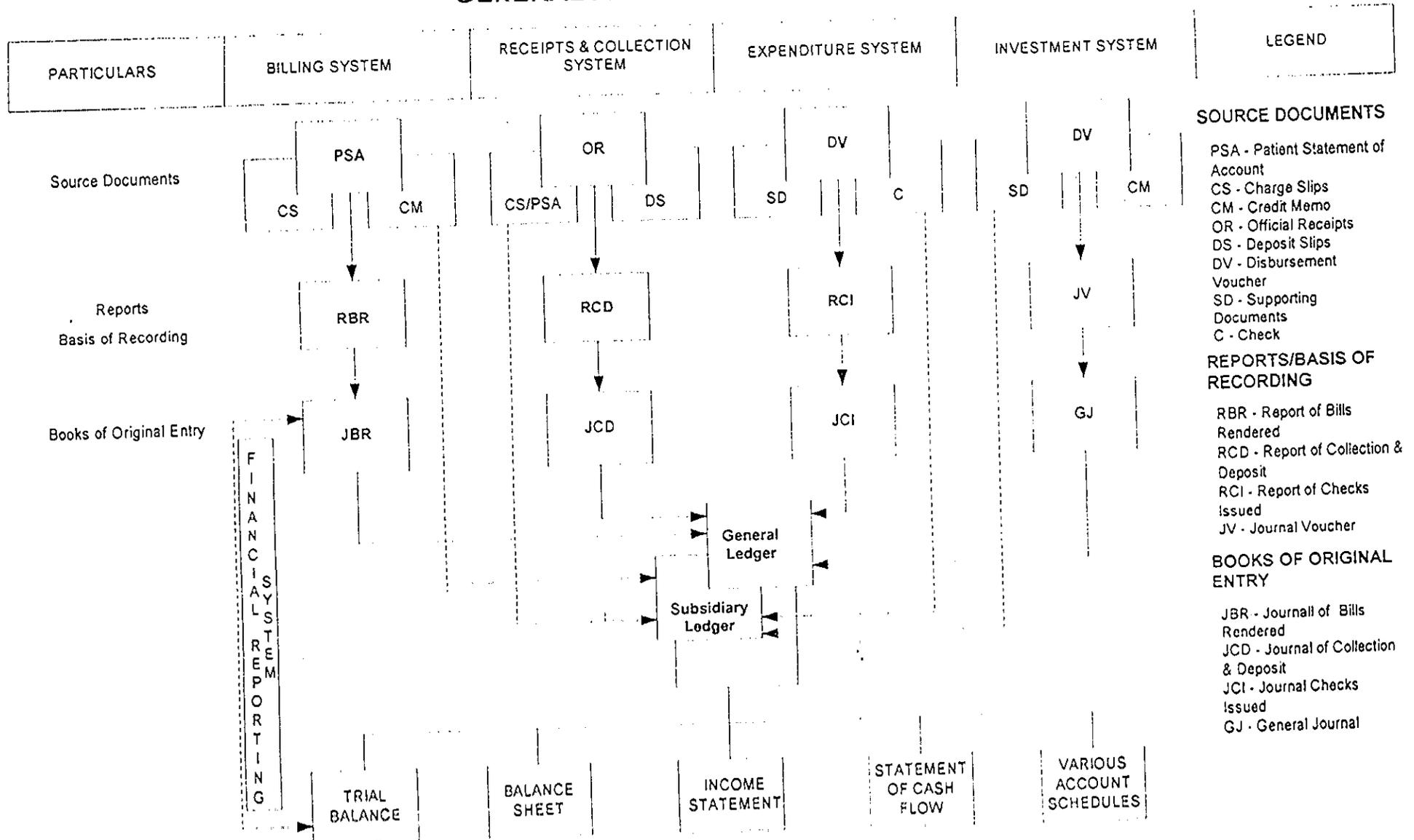
5.3 Investment System

This sub-system covers the placements of investment, recording of the investments and income earned in the books of accounts and the disposition of the investments.

The General Accounting System Plan shows the source documents used under each sub-system, the reports prepared which are the basis of recording in the books of accounts, the different books of accounts prescribed and the financial reports to be generated and submitted to management and other users/government entities.

The flowchart of the General Accounting System is shown on the next page.

GENERAL ACCOUNTING SYSTEM PLAN



- REPORTS/BASIS OF RECORDING**
- RBR - Report of Bills Rendered
 - RCD - Report of Collection & Deposit
 - RCI - Report of Checks Issued
 - JV - Journal Voucher
- BOOKS OF ORIGINAL ENTRY**
- JBR - Journal of Bills Rendered
 - JCD - Journal of Collection & Deposit
 - JCI - Journal Checks Issued
 - GJ - General Journal

SUMMARY LIST OF SOURCE DOCUMENTS

Billing of In-Patient Charges

<u>Report/Form/Record Title</u>	<u>Purpose</u>	<u>Frequency of Preparation</u>	<u>No. of Copies</u>	<u>Distribution</u>
Patient Statement of Account (PSA)	Contains information on the deposits made by in-patients and charges made by the hospital for medicines and supplies issued and laboratory procedures performed. The preliminary patient statement of account shall be used to summarize and update daily charges and deposits. It shall facilitate preparation of the final patient statement of account.	For every In-patient	4	1 Patient 2 COA 3 Accounting 4 Cash
Report of Bills Rendered (RBR)	A summary of all patient statements of account prepared and issued.	Weekly	2	1 COA 2 Accounting
Charge Slips (CS)	A form used to record charges made by the different revenue centers for medicines and supplies issued and other hospital procedures performed.	As the need arises	4	1 Patient 2 COA 3 Accounting 4 Revenue Center

Receipts/Collections/Deposits

<u>Report/Form/Record Title</u>	<u>Purpose</u>	<u>Frequency of Preparation</u>	<u>No. of Copies</u>	<u>Distribution</u>
Official Receipt (OR)	A form used to acknowledge collections in cash or check.	For every collection	4	2 Payee 5 COA 6 Accounting 7 Cash
Report of Collections and Deposits (RCD)	A summary of all collections and deposits made to the Accredited Depository Bank (ADB).	Weekly	3	3 COA 4 Accounting 5 Cash
Summary of Donations, Grants Received (SD/GR)	A summary of Donations, Grants and Aids received from various donors.	Monthly	3	1 COA 2 Accounting 3 Cash

Expenditures

Operational Expenditures

<u>Report/Form/Record Title</u>	<u>Purpose</u>	<u>Frequency of Preparation</u>	<u>No. of Copies</u>	<u>Distribution</u>
Disbursement Voucher (DV)	This form shall be prepared to evidence the incurrence of obligation and to support all money claims. It shall be used as basis in recording the obligations incurred in the Voucher Register (VR).	As need arises	3	1 COA 2 Accounting 3 Budget
DV Control Book (DVCB)	This is used to record all DVs processed by the Accounting Division.	As need arises	1	Accounting
Logbook (LB)	Used to record and monitor all incoming and outgoing documents in a particular Department/Division. This record also shows whether the necessary action has been taken.	As need arises	1	Division/Service
Index of Payment to Creditors (IPC)	Used to record payments made to creditors including the deductions made for withholding taxes. This is updated to facilitate future check reconciliation.	As need arises	1	Accounting
Checkbook (CB)	Used to record in numerical order the details of all checks prepared by the Cash Division including cancelled checks. Payees shall sign in the "Received By" portion of the CB to indicate that checks are already issued.	As need arises	1	Cash
Cash Advance Subsidiary Ledger (CASL)	Used to record cash advances granted to Special Disbursing Officer/Petty Cash Fund Custodian and their succeeding replenishment/liquidations.	As need arises		Accounting
Report of Disbursements (RD)	Shall be prepared by accountable/disbursing officers in liquidating/replenishment of cash advance for operational expenses	Weekly	3	1-2 attachment to DV for replenishment/liquidation of cash advances for operational expenses.
Petty Cash Control Book (PCB)	Used to record all cash advances received and payments made out of the cash advance.	As need arises	1	Accounting
Petty Cash Voucher (PCV)	Used in requesting for petty cash advance. The amount granted and subsequent liquidation made is reflected in this form.	As need arises	2	1-- Designated Petty Cash Custodian 2-- Requestor/ Division Chief
Summary of Petty Cash Advance Expenses (SPCAE)	This summarizes disbursements made out of petty cash advance. Used as source document in the liquidation of petty cash advance.	As need arises	2	1-- Designated Petty Cash Custodian 2-- Requestor/ Division Chief

<u>Report/Form/Record Title</u>	<u>Purpose</u>	<u>Frequency of Preparation</u>	<u>No. of Copies</u>	<u>Distribution</u>
Summary of Liquidated Petty Cash Voucher (SLPCV)	Shows the summary of all PCVs liquidated and their account distribution. Used as source document in preparing DV for replenishment of petty cash fund.	As need arises	2	1 - To be attached to the DV for PCF Replenishment 2 - Cash

Expenditures Payroll

<u>Report/Form/Record Title</u>	<u>Purpose</u>	<u>Frequency of Preparation</u>	<u>No. of Copies</u>	<u>Distribution</u>
Report of Attendance, Absences and Undertime (RAAU)	Shows the summary of attendance, absences and undertime of all employees assigned in the particular service for the month. Used as basis in posting the employees' attendance, absences and undertime in the Employee's Leave Card (ELC).	Monthly	2	1 - Personnel 2 - Concerned Office
Daily Time Record (DTR)	Used for punching the time in and out of employees for one month. Duty verified and signed DTRs shall be used as basis in the preparation of RAAU and in computing all other payrolls.	Monthly	1	Personnel Section
Employee's Leave Card (ELC)	Information in the RAAU such as absences and undertimes shall be posted in the ELC. Used in determining the cumulative vacation leave (VL) and sick leave (SL) balances and absences/undertime without pay of employees and serves as source document in the preparation of Notice of Payroll Adjustment (NPA)	Monthly	1	Personnel Section
Payroll Information on New Employee (PINE)	Accomplished by new employee upon assumption to Office. Contains information that are needed in the creation of employees file in the Payroll System such as employee name, position, effectivity of appointment, date of assumption, etc.	Once, upon assumption of new employee	1	Payroll Section
Notice of Payroll Adjustment (NPA)	Used to inform the Accounting Division regarding the status of employee concerned such as Resigned/Transferred, Retired/Died, AWOL, On Leave Without Pay, Delete, Hold Salary, etc. The number of hours earned without pay are also indicated in the NPA. Such information shall be used in computing the amount of leave without pay of the employee.	As need arises	2	1 - Accounting 2 - Personnel

<u>Report/Form/Record Title</u>	<u>Purpose</u>	<u>Frequency of Preparation</u>	<u>No. of Copies</u>	<u>Distribution</u>
Bill (B)	Used to inform the concerned employee to refund overpayment of salary due to leave without pay per NPA from the Personnel Division. Used by the Payroll Clerk as basis in deducting leave without pay from employee's salary.	As need arises	3	1 - Employee concerned 2 - Payroll Section 3 - Accounting
Request for Changes in Payroll (RCP)	Shall be prepared by individual employee to request the Payroll Section to effect inclusion/deletion/change of certain items in the payroll.	As need arises	2	1 - Payroll Section 2 - Employee concerned
Proof list (PL)	Contains payroll information of employees with changes/adjustments in earning or deductions. It shall facilitate the review of the following month payroll before performing the final printing of the report	Monthly	1	Payroll Section
Payroll (P)	Contains information of employees earnings and deductions for the month and used as basis in the processing of the DV on the first week of the month for the first half payroll and on the third week of the month for the second half payroll. The previous month payroll shall be used as basis in the preparation of the following month payroll.	Monthly	3	1 - to be attached to DV 2 - Accounting 3 - Payroll Section
Summary of Net Earnings of Employees (SNEE)	Contains the amounts of net pays of employees for the first and second half of the month. This report shall be used for depositing the employees' net pay in their respective accounts in the bank	Monthly	4	1 - 2 Servicing Bank 3 - Payroll Section 4 - Accounting
Summary of Payroll by Office (SPO)	Shows the gross earnings and details of deductions of all employees assigned in the particular office. Used by management in determining actual cost of personal services by office.	Monthly	2	1 - Office Concerned 3 - Budget Division
Pay slip (P)	Shows the gross earnings and details of deductions of each employee.	Monthly	1	Employee Concerned
Schedule of Deduction Remittance (SDR)	Shows by office, the nature of deduction and in alphabetical order the names of employees and amount of deduction. Used as a supporting document in the processing of payment for the remittance of such deduction to other government agencies/offices	Monthly	2	1 - to be attached to the DV 2 - Accounting Division
Authority (A)	Used as one of the supporting documents in the processing of overtime pay. It shows the number of overtime hours allowed for each employee and the corresponding amount of overtime. It should be supported by an approved Work Program.	As need arises	2	1 - Approving Office 2 - Division concerned

<u>Report/Form/Record Title</u>	<u>Purpose</u>	<u>Frequency of Preparation</u>	<u>No. of Copies</u>	<u>Distribution</u>
Certificate of Clearance (CC)	Shows that the concerned employee is free from any liabilities and should be filed by employee who will go on maternity leave or will leave from office for more than 30 calendar days.	As need arises	3	1 - Personnel Division 2 - Accounting/ Payroll Sec. 3 - Employee Concerned
Certificate of Tax Withheld on Compensation (W2)	This is the Bureau of Internal Revenue (BIR) form which shows the total compensation earned and corresponding tax due and amount withheld by the Hospital. Used as supporting paper in filing income tax of each employee at the end of the year.	Annually	3	1-2 Employee Concerned 3 - Accounting Division
Alphabetical List of Employees from whom Tax are Withheld (ALETW)	Shows in alphabetical order the names of employees and amount of tax withheld on compensation for the year.	Monthly	3	1-2 BIR 3 - Accounting Division
Disbursement Voucher (DV)	This form shall be prepared to evidence the incurrence of obligation and to support for all money claims. Used as basis in recording the obligations incurred in the Voucher Register (VR)	As need arises	3	1 - COA 2 - Accounting 3 - Budget
Index of Payment to Employees (IPE)	Used to record all payments of salaries and other kinds of remunerations to employees, including the details of deductions from such salaries and other remunerations. It shall serve as control device to avoid double payment of different claims by employees.	Monthly	1	Accounting Division

Investment System

<u>Report/Form/Record Title</u>	<u>Purpose</u>	<u>Frequency of Preparation</u>	<u>No. of Copies</u>	<u>Distribution</u>
Daily Cash Position Report (DCPR)	Shows the cash balance as of specific date.	Daily	3	1 - Investment Division 2 - Accounting 3 - Cash
Investment Index Card (IIC)	Serves as subsidiary ledger of investments. Used as reference in the preparation of Schedule of Short-Term Investments (SSTI)	As need arises	2	1 - Accounting 2 - Investment Division
Monthly Report of Investments	Shows in details the investments made by the Hospital. It shall be used by the Accounting Division in verifying the correctness of the balance of investments accounts in the books of accounts.	Monthly	2	1 - Accounting 2 - Investment Division

V. CHART OF ACCOUNTS

The Chart of Accounts is a list of ledger accounts to be used by the Autonomous Government Hospital Corporation. It consists of the balance sheet or real accounts to record assets, liabilities and net worth of the Corporation and the nominal accounts to record income and expenditures.

The use of the Standard Chart of Accounts of the Government is being prescribed to achieve uniformity in accounting and reporting, facility in consolidating the reports and adaptability to computerization

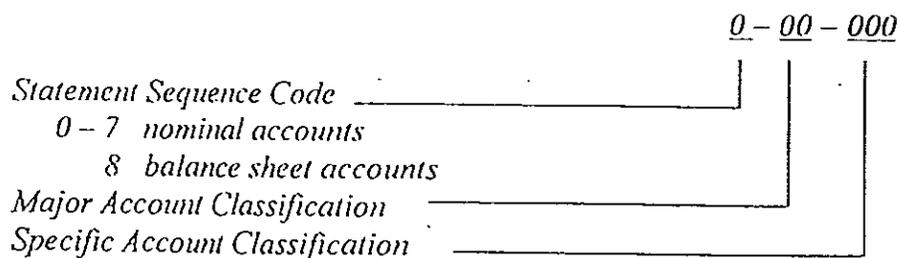
1.0 BASIC FEATURES

- 1.1 Accounts are provided to record all possible types of transactions affecting the financial operations of the Hospital Corporation.
- 1.2 The accounts are arranged/classified in the order they appear in the financial statements to facilitate their preparation.
- 1.3 The accounts conform to generally accepted accounting principles and the specific requirements of applicable laws and regulations.
- 1.4 The accounts are coded to facilitate location and/or access to accounts in the General Ledger and Subsidiary Ledgers.
- 1.5 The coding system follows the Standard Government Chart of Accounts.

2.0 CODING SYSTEM

The prescribed coding system in the Government Accounting and Auditing Manual (GAAM) shall be adopted. Its purpose is to save time in recording the long description of accounts, to facilitate systematic arrangement and classification of accounts and to comply with the requirements of mechanized accounting.

The accounts coding system shall be as follows:



2.1 *Statement Sequence Code* - refers to the classification of accounts into nominal and real accounts. The code further classifies the nominal accounts into income and expenses. The codes shall consist of the following:

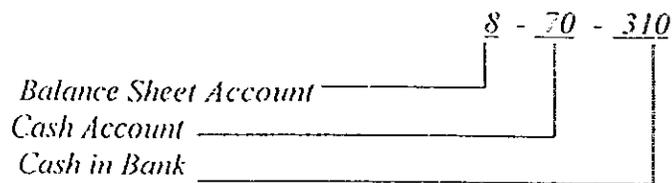
- 1 - for income from operation and from investments
- 2 - for revenues from grants-in-aids and subsidies
- 3 - for expenditures for personal services (PS) and maintenance and other operating expenses (MOOE)
- 4 - for capital expenditure
- 5 - for balance sheet accounts

2.2 *Major Code* - consists of two digits and represents the main account classification. The assigned codes under this group are:

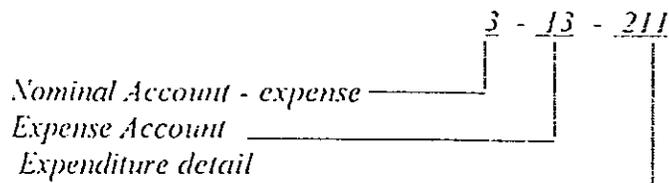
- 01 -- 50 - Expense Accounts
- 51 -- 69 - Income Accounts
- 70 -- 80 - Asset Accounts
- 81 -- 69 - Liabilities Accounts
- 91 -- 99 - Net worth/Reserves Accounts

2.3 *Minor Code* - consists of three digits and represents a more detailed classification of the major accounts as well as the subsidiary ledger classification: Examples are:

a) Balance Sheet Account



b) Expense Account



Networth

- Donated Capital
- Invested Capital
- Retained Earnings
- Surplus Reserve

3.2 The Operation Accounts

The operation accounts/income statement accounts consist of the details of income and expenditures:

Income

- Hospital Charges
- Less: Quantified Free Service
- Discounts
- Net Hospital Charges

- Other Income

Operating Expenses

- Personal Services
- Travelling Expenses
- Communication Services
- Repairs and Maintenance of Government Facilities
- Other Services
- Supplies and Materials
- Interest and Bank Charges
- Water, Light and Power
- Auditing Services
- Maintenance of Motor Vehicles
- Discretionary Expense
- Representation Expense
- Taxes and Licenses
- Depreciation Expense
- Doubtful Accounts Expense
- Other Expenses

Contributions from National Government

THE AUTONOMOUS GOVERNMENT HOSPITAL CORPORATION

THE CHART AND CODE OF ACCOUNTS

<u>Account Name</u>	<u>Account Code</u>
<u>ASSETS</u>	
<u>Current Assets</u>	
Cash	8-70-000
BANK Savings Account	8-70-200
BANK Dollar Account	8-70-300
BANK Current (Regular)	8-70-380
BANK Time Deposit	8-70-390
Collecting Officers	8-70-400
Disbursing Officers	8-70-500
Receivables	8-71-000
Patients' Receivable	8-71-600
- Discharged In-Patient	8-71-610
- Out-Patient	8-71-620
- Company Sponsored Patients	8-71-630
Notes Receivables	8-71-700
Miscellaneous Receivables	8-71-900
- Receivables - Officers/Employees	8-71-910
- Rental	8-71-920
- Medicare	8-71-930
- Others	8-71-940
- COA Disallowances	8-71-950
- Input Tax	8-71-960
Inventories	8-72-000
Supplies and Materials	8-72-100
- Engineering Supplies	8-72-110
- Medical Supplies	8-72-120
- Drugs and Pharmaceuticals	8-72-130
- Dietary Supplies	8-72-140

- Linen and Beddings	8-72-150
- Office Supplies	8-72-160
Inventories In-Transit	8-72-400
Free Goods	8-72-800

Other Assets

Miscellaneous Assets & Deferred Charges	8-73-000
Prepaid Expenses	8-73-100
Guaranty Deposit	8-73-200
Marginal Deposit - L/C	8-73-400
Deposit on Containers	8-73-500
Stocks & Securities of Service Enterprises	8-73-700
Miscellaneous	8-73-900
Contingent Assets	8-74-000
Claims on Unrelieved Losses on Current Assets	8-74-100

Fixed Assets

Fixed Assets - Land & Land Improvements	8-77-400
Land	8-77-410
Land Improvements	8-77-420
Fixed Assets - Buildings & Structures	8-78-400
Fixed Assets - Furniture & Fixtures and Equipment	8-79-400
Patient's Furniture & Fixtures	8-79-410
Office Furniture & Fixtures	8-79-420
Medical Equipment	8-79-430
Dietary Equipment	8-79-440
Engineering Equipment	8-79-450
Office Equipment	8-79-460
Transportation Equipment - Vehicles	8-79-470
In Process/Transit	8-79-900

Deductions from Assets

Allowance for Doubtful Accounts	8-80-710
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Accumulated Depreciation	
Land & Land Improvements	8-80-770
Buildings & Structures	8-80-780
Furniture, Fixtures & Equipment	8-80-794

LIABILITIES

Current Liabilities

Payables	8-81-000
Government Owned & Controlled Corporation	8-80-300
VAT Payable	8-80-400
Supplies & Materials Requisitioned For Stock	8-80-800
Others	8-80-900
Trust Liabilities - National Government	8-84-100
Trust Liabilities - Government Owned and Controlled Corporations	8-84-300
Trust Liabilities - Miscellaneous	8-84-900
Depository Liabilities	8-85-000
Patient's Deposit	8-85-100
Guaranty Deposit	8-85-200

Other Liabilities

Deferred Credits	
Supplies and Materials acquired free of Charge	8-86-800
Output Tax	8-86-900

Surplus and Capital

Retained Earnings	8-92-100
Contingent Surplus	8-96-000
Surplus Adjustment	7-92-419
Surplus Reserves	8-92-700

Capital

Capital	8-97-700
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INCOME/ESTIMATED REVENUE

(Summary Account)	0-91-000
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Operating and Service Income	1-56-000
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Business Operations-Hospital Income	1-56-200
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Income from In-Patient	1-56-210
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Income from Out-Patient	1-56-220
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Rental Income	1-56-600
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Commercial Offices	1-56-610
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Dormitory	1-56-620
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Miscellaneous Income	1-56-900
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Income from Public Ent./Investment	1-57-000
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Interest on Promissory Notes	1-57-500
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Income - CTDs	1-57-900
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Miscellaneous Income	1-58-000
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Sale of Waste Materials	1-58-700
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Fines & Penalties	1-58-800
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Miscellaneous	1-58-900
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PLDT Fee	1-58-920
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Post Graduate	1-58-940
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Sale of Assets	1-59-000
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Fixed Assets	1-59-200
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Gain on Foreign Exchange	1-59-300
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EXPENDITURE OBJECTS

Personal Services	3-01-000
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Salaries and Wages	3-01-100
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Gratuity Pay	3-01-120
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Terminal Pay	3-01-130
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Social Security Insurance Premium	3-01-300
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- Life & Retirement Ins. Premium	3-01-310
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- Medicare Premiums	3-01-330
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- State Insurance Premiums	3-01-340
- Pag-ibig	3-01-350
Overtime Pay	3-01-400
Commutable Allowance/Fringe Benefits	3-01-500
- Commutable Allowance - Officers - RATA	3-01-510
- Living Allowance	3-01-520
- Clothing Allowance	3-01-530
- Rice & Meal Subsidy	3-01-540
- Others- Hazard Pay/Night Differential	3-01-550
-PERA	3-01-550-3
Training & Personnel Improvements	3-01-600
Staff Meeting	3-01-610
Consultants' & Specialists' Fees and Honorarium	3-01-700
Bonus and Incentives	3-01-800
Subsistence Allowance	3-01-900
Laundry Allowance	3-01-900-1
Amelioration Allowance	3-01-900-2
Maintenance and Other Operating Expenses	
Travelling Expenses	3-02-000
- Local	3-02-100
- Foreign	3-02-110
Communication Services	3-03-000
Other Services	3-06-000
Repairs & Maintenance	3-06-100
- Building	3-06-110
- Patients' Furniture & Fixtures	3-06-120
- Office Furniture & Fixtures	3-06-130
- Medical & Surgical Equipment	3-06-140
- Dietary Equipment	3-06-150

- Engineering Equipment	3-06-160
- Office Equipment	3-06-170
- Janitorial Services	3-06-180
Property Insurance	3-06-200
Advertisement & Publications	3-06-300
Subscriptions	3-06-400
Laundry Services	3-06-500
Collection Charges	3-06-600
Security Services	3-06-700
Legal Services	3-06-800
Others	3-06-900
Supplies and Materials	3-07-000
- Engineering Supplies	3-07-110
- Medical & Surgical Supplies	3-07-120
- Drugs & Pharmaceuticals	3-07-130
- Dietary Supplies	3-07-140
- Linen & Beddings	3-07-150
- Office Supplies	3-07-160
Importation Charges	3-07-200
- Engineering Supplies	3-07-210
- Medical & Surgical Supplies	3-07-220
- Drugs & Pharmaceuticals	3-07-230
- Dietary Supplies	3-07-240
Semi-Expendable Supplies	
- Engineering Supplies	3-07-110-1
- Medical & Surgical Supplies	3-07-120-2
- Dietary Supplies	3-07-140-4
- Linen & Beddings	3-07-150-5
- Stationery & Office Supplies	3-07-160-6
Interest & Bank Charges	3-09-000
Grants, Subsidies and Contributions	3-10-000
Losses/Depreciation/Depletion	3-13-000
Losses of Current Assets	3-13-100
Depreciation of Fixed Assets -	
Building	3-13-200

Depreciation of Fixed Assets -	
Equipment	3-13-300
Doubtful Accounts Expense	3-13-500
Water, Illumination and Power Service	3-14-000
Water	3-14-100
Illumination	3-14-200
Power Service	3-14-300
Auditing Services	3-16-000
Maintenance of Motor Vehicles used for official travels of officers and employees	3-17-000
Repairs and Servicing	3-17-100
Spare Parts	3-17-200
Gasoline & Oil	3-17-300
Discretionary Expense	3-18-000
Representation Expense	3-19-000
Foreign Guest	3-19-100
Local Guest	3-19-200
Taxes and Licenses	3-21-000
Quantified Free Service	2-56-200
Out-Patient	2-56-210
In-Patient	2-56-20
Employees	2-56-230
Discounts & Allowances	2-56-300
Hospital Corporation & Government Employees	2-56-310
Discretionary	2-56-330
Senior Citizen	2-56-340

4.0 DESCRIPTION OF MAJOR ACCOUNTS

The major accounts consist of the broad classification of assets, liabilities and equity/net worth accounts and the control accounts for income and expenses. The details of these major accounts are shown in Item 3.0 of this Manual, Part I (List of Accounts)

ASSET ACCOUNTS

4.1 Cash

This account is used to record cash kept in the hospital treasury vault, deposits in authorized government depository banks (ADB) whether current/checking, savings accounts and time deposits, or any amount received by Collecting/Disbursing Officer in behalf of the Hospital Corporation. It also includes other cash items such as short-term securities with the intention of converting them to cash within a year.

Credit to this account represents withdrawal of cash from the vault and banks, deposit/remittance of collections by collecting officers and disbursements/liquidations of advances granted to disbursing officers.

4.2 Receivable

This account is used to record the amount due from patients, government agencies and other private entities.

Credit to this account represents collections or adjustments made.

4.3 Inventories

This account is used to record all supplies and materials and semi-expendable property purchased by the Hospital Corporation for use in its operations.

Credit to this account represents use/consumption/disposition of the inventory items.

4.4 Miscellaneous Assets and Deferred Charges

This account is used to record in the book of the Hospital Corporation prepaid expenses, guaranty deposits and other charges.

Credit to this account represents expired portion of prepaid expenses, other charges and refund of guaranty deposits.

4.5 Contingent Assets

This account is used to record claims for unrelieved losses of current or fixed assets, value of property in custody of judicial and/or administrative agencies in connection with outcome of pending litigation or cases filed in court; amount of cash shortages in the accountability of Collecting Officer, Disbursing Officer and other officers of the Hospital Corporation pending final settlement or disposition; disallowances in post-audit as indicated in the Certificate of Settlement and Balances; and amount due from third parties whose checks, primarily issued to pay their account were dishonored by the banks.

Credit to this account represents relief granted/payment or settlement of losses, settlement of or disposition of shortages, cash settlement or compliance with requirements for disallowances, collections made on dishonored checks and final disposition of fixed assets.

4.6 Investments

This account is used to record long-term interest bearing loans granted to other sectors of the government, long-term investments on stocks, bonds and other securities as authorized by the Board of Directors of the Hospital Corporation.

Credit to this account represents payment received or settlement made of the loans, sale of stocks, redemption/resale of bonds and other securities.

4.7 Acquired Assets

This account is used to record the cost of fixed assets as a result of foreclosure of mortgage for non-payment of liabilities.

Credit to this account represents re-sale or disposition of the acquired assets.

4.8 Fixed Assets

This account is used to record the cost or other appropriate value of land and its improvements, building and structure, furniture and fixtures, equipment and books, fixed assets held in trust which are more or less capital in nature, and those fixed assets acquired through purchase, transfer from other government agencies from acquisition/donations received.

Credit to this account represents disposition or reduction through sale, transfer to other government agencies, losses, donations including disposition and/or transfer to trustor in the case of fixed assets held in trust.

4.9 Allowance for Valuation and Accumulated Depreciation

This account is used to record reduction in the value of receivable accounts which is estimated as uncollectible and the estimate of the cumulative amount of capital (originally invested land and land improvements, building and structures and furniture, fixtures, equipment and books) used up because of fixed asset services consumed in operation. A separate allowance for depreciation account should be maintained for each group of depreciable fixed assets.

LIABILITY ACCOUNT

4.10 Payables

This account is used to record the amount of liabilities which arises from the following:

- 4.10.1 Purchases of goods and services on account;
- 4.10.2 Collections received or amount withheld in trust for the account of national government agencies (NGAs like BIR, etc.), government-owned or controlled corporations (GOCCs like GSIS, Pag-ibig, etc.) and other individuals/entities;

4.10.3 Claims and benefits payable to health insurance beneficiaries/members;

4.10.4 Other liabilities not falling under the liabilities enumerated above.

Debit to this account represents payment or settlement or liquidation of liabilities/indebtedness or remittance of collections of amounts held in trust.

4.11 Deferred Credits

This account is used to record the following:

4.11.1 Unearned income or revenues received.

4.11.2 Undistributed Collections – money received but not yet credited to proper accounts; and

4.11.3 Miscellaneous – Other deferred credits which cannot be classified under any of the above.

Debit to this account represents adjustments of unearned income realized during the accounting period, distribution of collections previously received to its proper accounts and adjustments/classification of other deferred credit accounts.

4.12 Contingent Liability

This account is used to record all claims pending litigation or decision of courts or authorities concerned against the Hospital Corporation.

Debit to this account represents settlement of claims in accordance with the decision of court or authority concerned.

4.13 Long-term Liability

This account is used to record the amount of long-term indebtedness to domestic and foreign creditors.

Debit to this account represents settlement or liquidation of the loan.

EQUITY/NETWORTH ACCOUNTS

4.14 Retained Earnings

This account represents the portion of net profit left after providing for increases in reserves. Its balance shows the cumulative amount earned over the life of the Hospital Corporation.

Debit to this account represents a) earmarking of the portion of Retained Earnings for investment reserves and b) prior period adjustments which has effect on the income of the Corporation.

4.15 Appraisal Capital

This account is used to record by category the increase in the value of recorded fixed assets of the Corporation due to appraisal conducted by an independent appraiser.

Debit to this account represents adjustments or write-off of the asset accounts upon reorganization, liquidation, or dissolution of the Corporation.

4.16 Donated Capital

This account is used to record the assets received by the Corporation through contribution or donations made by entities other than the stockholders or creditor.

Debit to this account represents adjustments or write-off of the asset accounts upon reorganization, liquidation or dissolution of the Corporation.

4.17 Contingent Capital

This account is used as contra account of all contingent assets recorded in the books of accounts of the Corporation.

Debit to this account represents payments received for lost/damaged current/fixed assets, relief granted for lost/damaged current/fixed assets,

settlement of disallowances, settlement of dishonored checks and other adjustments to the accounts.

NOMINAL ACCOUNTS

4.18 Income Summary Account

This account shall be used to record the money or money equivalent accrued by the Corporation during an accounting period. It shall also be used to record receipts of the Corporation from other sources such as grants, donations and subsidy.

This income account is categorized into: operating and service income, miscellaneous income and other receipts. Under each category are the following types of income/receipts:

- 4.18.1 Operating and Service Income - refers to all revenues generated by the Corporation in the exercise of its administrative and program implementation functions.
- 4.18.2 Miscellaneous Income - shall include all non-tax revenue not classified as operating income. It included:
 - a) Gain on Foreign - includes gains in converting foreign currencies to Philippine pesos.
 - b) Sale of Waste Materials - includes proceeds from sale of waste materials, such as old newspaper and other waste materials, except scrap of fixed assets.
 - c) Miscellaneous - included all other income not included in the income accounts previously enumerated.
 - d) Gain on Sale of Fixed Assets - pertains to profit realized from the sale of fixed assets like land, building and equipment, and
 - e) Gain on Sale of Investments - pertains to the profits realized from the sale of stocks, bonds and other forms of investments.

4.18.3 Other Receipts - shall include all amounts received by the Corporation as follows:

- a) Grants and Aids - pertains to non-repayable transfers received from other levels of the government, private sector and international institutions.
- b) Subsidies - pertains to amounts received from the National Government to cover operational expenses.

4.19 Expense Summary Account

This account shall be used to record the amount of expenditures incurred by the Corporation during an accounting period such as operational expenses which includes personal services, maintenance and other operating expenses and capital outlays.

VI. ILLUSTRATIVE ACCOUNTING ENTRIES

ILLUSTRATIVE ACCOUNTING ENTRIES						
Transaction	GL Acct. Code	SL Acct. Code	SL Dr.	SL Cr.	GL Debit	GL Credit
A. Billing						
1. To take-up patient deposit	8-70-400				xxx	
		8-70-40?	xx			
	8-85-100					xxx
2. To take-up in patient charges						
2.1. Service Patient with Medicare	8-71-600				xxx	
		8-71-6??	xx			
	8-71-930				xxx	
	2-56-610				xxx	
	0-91-000					xxx
		1-56-210		xx		
2.2. Pay patient without discount and Medicare	8-71-600				xxx	
		8-71-6??	xx			
	8-71-930					
	0-91-000					xxx
		1-56-210		xx		
2.3. Pay patient with discount and Medicare	8-71-600				xxx	
		8-71-6??	xx			
	8-71-930				xxx	
	2-56-710				xxx	
	0-91-000					xxx
		1-56-210		xx		
3. Collection of in-patient charges	8-70-400				xxx	
		8-70-40?	xx			
	8-71-600					xxx
		8-71-6??		xx		
4. Collection of Medicare payments	8-70-400				xxx	
		8-70-40?	xx			
	8-71-930					xxx

ILLUSTRATIVE ACCOUNTING ENTRIES						
Transaction	GL	SL	SL		GL	
	Acct. Code	Acct. Code	Dr.	Cr.	Debit	Credit
B. Collection and Deposit/Remittance						
1. Collection of out-patient charges for medicines, supplies and laboratory procedures.						
1.1. Service patient	8-70-400				xxx	
		8-70-40?	xx			
	2-56-620				xxx	
	0-91-000					xxx
		1-56-220		xx		
1.2. Pay patient with discount	8-70-400				xxx	
		8-70-40?	xx			
	2-56-720				xxx	
	0-91-000					xxx
		1-56-220		xx		
1.3. Pay patient without discount	8-70-400				xxx	
		8-70-40?	xx			
	0-91-000					xxx
		1-56-220		xx		
2. Receipt of grants/aids	8-70-400				xxx	
		8-70-40?	xx			
	0-91-000					xxx
		1-57-100		xx		
3. Receipt of government subsidy	8-70-400				xxx	
		8-70-40?	xx			
	0-91-000					xxx
		1-57-200		xx		
4. Deposit of collection to authorized depository bank	8-70-200				xxx	
	8-70-400					xxx

ILLUSTRATIVE ACCOUNTING ENTRIES						
Transaction	GL	SL	SL		GL	
	Acct. Code	Acct. Code	Dr.	Cr.	Debit	Credit
C. Operational Expenses						
1. Take-up salaries and wages of officers and employees	3-01-100				xxx	
	3-01-520				xxx	
	3-01-550				xxx	
	3-01-553				xxx	
	3-01-900				xxx	
	3-01-901				xxx	
	8-81-400					xxx
	8-84-100					xxx
2. Take-up share on social securities and insurance of its officers & employees	3-01-310				xxx	
	3-01-330				xxx	
	3-01-340				xxx	
	3-01-350				xxx	
	8-81-400					xxx
3. Payment of salaries and wages	8-81-400				xxx	
	8-70-380					xxx
4. Remittance of employer's share and amount withheld from salaries and wages						
	4.1. Bureau of Internal Revenue					
	8-84-100				xxx	
	8-70-380					xxx
	4.2. GSIS & Pag-ibig employer's share and employees' deduction					
	8-84-300				xxx	
	8-70-380					xxx

ILLUSTRATIVE ACCOUNTING ENTRIES						
Transaction	GL Acct. Code	SL Acct. Code	SL Dr.	SL Cr.	GL Debit	GL Credit
D. Procurement of supplies and materials						
1. Upon delivery	8-72-000				xxx	
		8-72-1??	xx			
	8-81-400					xxx
2. Upon payment	8-81-400				xxx	
	8-70-380					xxx
3. Upon issuance	3-07-000				xxx	
		3-07-1??	xx			
	8-72-000					xxx
		8-72-1??		xx		
E. Procurement of Equipment						
1. Upon delivery	8-79-400				xxx	
		8-79-4??	xx			
	8-81-400					xxx
2. Upon payment	8-81-400				xxx	
	8-70-380					xxx

ILLUSTRATIVE ACCOUNTING ENTRIES							
Transaction	GL	SL	SL		GL		
	Acct. Code	Acct. Code	Dr.	Cr.	Debit	Credit	
F. Investment							
1. Placement in time deposit	8-70-390				xxx		
	8-70-380					xxx	
2. Investment in marketable securities	8-70-850				xxx		
	8-70-380					xxx	
3. Income from investment							
3.1. Investment roll-over time deposit	8-70-390				xxx		
	0-91-000					xxx	
		1-57-900		xx			
3.2. Accrual of interest	8-71-900				xxx		
	0-91-000					xxx	
		1-57-900		xx			
3.3. Receipt of interest	8-70-300				xxx		
	8-71-900					xxx	
4. Retirement of Investment	8-70-200				xxx		
	8-70-850/					xxx	
	8-70-390					xxx	

VII. ANNEXES

Bill No. _____

AUTONOMOUS GOVERNMENT HOSPITAL CORPORATION

Philippines

STATEMENT OF ACCOUNT

Name of Patient: _____ Date: _____
 Address: _____ Hospital No.: _____
 Nearest Kin: _____ Tel. No.: _____
 Address of Kin: _____ Relationship: _____
 Admission Date: _____ Tel. No.: _____
 Attending Physician: _____ No. of Days Confined: _____
 Unit/Room No.: _____ Room Rate: P _____ Classification _____

CHARGES:

Room and Board P _____
 Pharmacy _____
 Central Supplies _____
 O. R. _____
 Hemodialysis _____
 Radiology _____
 Nuclear Medicine _____
 Laboratory Services _____
 Physical Medicine and Rehabilitation _____
 Neurology Services _____
 Cardio-Vascular Services _____
 Pulmonary Services _____
 Peritoneal Dialysis _____
 Miscellaneous Fee _____

TOTAL HOSPITAL CHARGES P _____

LESS: Medicare _____
 Room _____ Payment P _____
 Medicines _____ Medicare _____
 Laboratory _____ Discount _____
 O. R. _____ Q. F. S. _____
 Deposit _____

PLEASE PAY THIS AMOUNT P _____

Prepared by: _____
Billing Clerk

Certified by: _____
Supv'g. Billing Clerk

(NOTE: Professional Fees Not Included)

AUTONOMOUS GOVERNMENT HOSPITAL CORPORATION

PHILIPPINES

No. _____

CHARGE SLIP

DATE _____

PATIENT _____ CLASSIFICATION _____
 UNIT/ROOM NO. _____ ATTENDING PHYSICIAN _____ HOSP. NO. _____

ITEM CODE	PARTICULARS	QUANTITY	UNIT PRICE	AMOUNT

PREPARED BY _____
 RECEIVED BY _____

TOTAL AMOUNT P _____

CHARGED BY _____
 POSTED BY _____

IMPORTANT: THIS IS NOT A RECEIPT. PLEASE PAY TO THE CASHIER

AUTONOMOUS GOVERNMENT HOSPITAL CORPORATION
Philippines

For the Month of _____

REPORT OF DONATIONS, GRANTS AND AIDS RECEIVED

DATE RECEIVED	DONOR/GRANTOR'S NAME	DONOR/GRANTOR'S ADDRESS	AMOUNT
			p
TOTAL			p
PREPARED BY:		NOTED BY:	
Date		Date	

REPORT OF DONATIONS, GRANTS AND AIDS RECEIVED

1. **FOR THE MONTH OF** - refers to the month covered by the report
2. **DATE RECEIVED** - refers to the actual date of receipt of the grants, donations and aids.
3. **DONOR/GRANTOR NAME** - refers to the name of the donor/grantor.
4. **DONOR/GRANTOR ADDRESS** - refers to the address of the donor/grantor.
5. **AMOUNT** - refers to the amount of donation/grants and aids received per individual donor/grantor.
6. **TOTAL** - refers to the total grants/donations received for the month covering the report.

DISBURSEMENT VOUCHER THE AUTONOMOUS GOVERNMENT HOSPITAL CORP.		No.
		Date:
<i>CLASSIFICATION OF DISBURSEMENT</i>		
<input type="checkbox"/> Cash Advance	<input type="checkbox"/> Reimbursement	<input type="checkbox"/> Other Payments
Name of Claimant:		ID No./TIN
Address:		Responsibility Center:
Particulars		Amount
A Certified: <i>Expenses/Cash Advances necessary, lawful and incurred under my direct supervision.</i>	B <i>Completeness and propriety of supporting documents:</i>	C <i>Cash available:</i>
_____ Signature Over Printed Name	_____ Signature Over Printed Name	_____ Signature Over Printed Name
_____ Date	_____ Date	_____ Date
D <i>Approved for payment: P_____</i>	E <i>Payment:</i> Check No. _____ Bank Name _____	F <i>Received Payment:</i>
_____ Signature Over Printed Name	_____ Signature Over Printed Name	_____ Signature Over Printed Name
_____ Date		_____ Date

AGHC Form No.

AUTONOMOUS GOVERNMENT HOSPITAL CORPORATION
DV CONTROL BOOK

PAGE NO. _____

DV DATE	DV NO.	NAME OF CREDITOR	PARTICULARS	AMOUNT	REC'D. BY/ DATE

INSTRUCTIONS ON HOW TO ACCOMPLISH THE
DISBURSEMENT VOUCHER CONTROL BOOK (DVCB)

PAGE NO. - enter the page number

DV DATE - enter the date indicated in the Disbursement Voucher

DV NUMBER - enter the DV control number

NAME OF CREDITOR - enter the name of the creditor

PARTICULAR - enter the details such as description/specifications, covering Purchase Order (PO) number, statement of account number, etc.

AMOUNT - enter the amount payable

RECEIVED BY/DATE - enter the signature of the employee of another division/office who shall receive the documents. Enter also date of receipt of documents.

AGHC Form No.

AUTONOMOUS GOVERNMENT HOSPITAL CORPORATION

LOG BOOK

PAGE NO. _____

DATE REC'D	NAME OF CLAIMANT	PARTICULARS	AMOUNT	DATE RELEASED/ REC'D. BY

INSTRUCTIONS ON HOW TO ACCOMPLISH THE
LOGBOOK (LB)

DATE RECEIVED - enter the date when the documents were received

NAME OF CLAIMANT - enter the name of payee in case of Disbursement
Voucher (DV), Purchase Order, check, etc.

PARTICULARS - enter the details regarding the documents.

AMOUNT - enter the amount

DATE RELEASED/RECEIVED BY - enter the date of release of documents and
the signature of the person who received same.

AGHC Form No.						
<p>THE AUTONOMOUS GOVERNMENT HOSPITAL CORPORATION</p> <p>INDEX OF PAYMENT TO CREDITORS</p>						
CREDITOR			ADDRESS		TIN	
DATE	REF./ DV. NO	PARTICULARS	CHEC K NO.	AMOUNT		
				GROSS	W/TAX	NET

AGHC Form No.

AUTONOMOUS GOVERNMENT HOSPITAL CORPORATION

CHECK BOOK

PAGE NO. _____

CHECK NO.	DATE	PAYEE	CHECK AMOUNT	PAYEE ADDRESS	PAYEE SIGNATURE OVER PRINTED NAME

INSTRUCTIONS ON HOW TO ACCOMPLISH THE
CHECK BOOK (CB)

CHECK NO. - enter under this column in numerical order the check number

DATE - enter the date of the check.

PAYEE - enter the name of the claimant. There shall be no check payable to "cash".

CHECK AMOUNT - enter the amount of the check.

PAYEE ADDRESS - enter the permanent address of the payee. The Cashier shall require the payee to present company identification card as basis in accomplishing this portion.

PAYEE SIGNATURE OVER PRINTED NAME - to be accomplished by the payee.

INSTRUCTIONS ON HOW TO ACCOMPLISH THE
CASH ADVANCE SUBSIDIARY LEDGER (CASL)

PAYEE - enter the name to whom the cash advance is granted. It can be the Petty Cash Custodian or a designated Disbursing Officer.

ADDRESS - enter the complete address of the employee/office to whom the cash advance shall be granted.

CHECK NO. AND DATE - enter the check number and date covering the cash advance.

DV NO. - enter the corresponding DV No.

PARTICULAR - enter the details about the cash advance.

AMOUNT - enter under the debit column the amount of cash advance granted to particular employee/office, under the credit column the amount of replenishment/liquidation made and under the balance column the unliquidated/unreplenished amount (DEBIT - CREDIT).

AUTONOMOUS GOVERNMENT HOSPITAL CORPORATION
REPORT OF DISBURSEMENTS

REPORT NO. _____
SHEET NO. _____

DATE	DV No.	PAYEE	ACCOUNT CODE	RESPONSIBILITY CENTER	AMOUNT

Prepared by:	Received by:
Disbursing Officer	Accounting Clerk
Date	Date

AGHC Form No.

AUTONOMOUS GOVERNMENT HOSPITAL CORPORATION
 PETTY CASH CONTROL BOOK

PAGE NO. _____

DATE	PARTICULARS	REF.	RECEIVED	PAID	BALANCE

THE AUTONOMOUS GOVERNMENT HOSPITAL CORPORATION PETTY CASH VOUCHER		NO.
		DATE:
PAYEE/OFFICE _____ ADDRESS _____		RESPONSIBILITY CENTER
PARTICULARS		AMOUNT
PAID BY: _____ DISBURSING OFFICER	PAYMENT RECEIVED BY: _____ SIGNATURE OVER PRINTED NAME _____ DATE	

AGHC FORM NO.

AUTONOMOUS GOVERNMENT HOSPITAL CORPORATION

SUMMARY OF PETTY CASH ADVANCE EXPENSES
PCV NO. _____

PARTICULARS	AMOUNT
TOTAL	P

PREPARED BY:

APPROVED BY:

AGHC FORM NO.

AUTONOMOUS GOVERNMENT HOSPITAL CORPORATION
 SUMMARY OF LIQUIDATED PETTY CASH VOUCHERS

DATE	PCV NO.	PAYEE	AMOUNT	ACCOUNT DISTRIBUTION			

I HEREBY CERTIFY THAT THE ABOVE SUMMARY IS COMPLETE AND CORRECT REPRESENTING DISBURSEMENTS MADE FOR THE PERIOD _____, 200__ TO _____, 200__.

 PETTY CASH CUSTODIAN

AUTONOMOUS GOVERNMENT HOSPITAL CORPORATION

DAILY CASH POSITION REPORT
(Date)

Beginning Daily Balance P _____

Cash Receipts

<u>Source</u>	<u>Amount</u>
PHIC	P _____
HMO	_____
Subsidy	_____
Self-Pay	_____
Others	_____
Total Receipts	P _____

Total Cash Available P _____

Cash Disbursements

<u>Item</u>	<u>Amount</u>
Payroll	P _____
Accounts Payable	_____
Equipment	_____
Others	_____
Total Disbursements	P _____

Cash Balance P _____

Projected Cash Flows*

Projected Receipts	P _____
Projected Disbursements	P _____

Projected Cash Balance P _____

*Cash flows can be projected for whatever future period management feels appropriate. Generally, the forecast period should not be less than seven days or more than a month.

AUTONOMOUS GOVERNMENT HOSPITAL CORPORATION

MONTHLY REPORT OF INVESTMENTS

As of _____

	Par Value/ Acquisition Cost	No. of Shares	Stock Div.	Total No. of Shares	Date Acquired	Acquisition Cost	Market Value	Unrealized Gain/Loss on MS
Marketable Securities						P	P	P
COMMON STOCK								
PREFERRED STOCK								
TOTAL						=====	=====	=====

CERTIFIED CORRECT:

Chief Accountant

INSTRUCTIONS ON HOW TO PREPARE THE
MONTHLY REPORT OF INVESTMENTS

MARKETABLE SECURITIES - enter the following information based on the
Investment Index Card

1. **PAR VALUE/ACQUISITION COST** - enter the par value/acquisition cost of marketable securities.
2. **NO. OF SHARES** - enter the number of shares purchased.
3. **STOCK DIVIDEND** - enter the number of shares of stock dividend.
4. **TOTAL NO. OF SHARES** - enter the total number of shares purchased and stock dividend.
5. **ACQUISITION COST** - enter the acquisition cost by multiplying the number of shares purchased by par value/acquisition cost/share.
6. **MARKET VALUE** - enter the prevailing market value of investment.
7. **UNREALIZED GAIN/LOSS ON MARKETABLE SECURITIES** - enter the difference between the acquisition cost and market value of the marketable securities. In case of unrealized gain on marketable securities, the unrealized loss shall be reversed only to the extent not exceeding the original cost of marketable securities.

AUTONOMOUS GOVERNMENT HOSPITAL CORPORATION

BALANCE SHEET

As of _____

ASSETS

CURRENT ASSETS

Cash

BANK Savings Account

BANK Current Account

BANK Time Deposit

Collecting Officers

Disbursing Officers

Receivables

Patients' Receivable

Notes Receivable

Miscellaneous Receivables

Inventories

Supplies and Materials

TOTAL CURRENT ASSETS

OTHER ASSETS

FIXED ASSETS

Land & Land Improvements

Buildings & Structures

Furniture & Fixtures & Equipment

TOTAL FIXED ASSETS

TOTAL ASSETS

LIABILITIES & SURPLUS

CURRENT LIABILITIES

Accounts Payable

Trust/Deposits

Trust Liabilities

TOTAL CURRENT LIABILITES

TOTAL LIABILITES

SURPLUS

TOTAL LIABILITIES & SURPLUS

Certified Correct:

Chief Accountant

AUTONOMOUS GOVERNMENT HOSPITAL CORPORATION

INCOME STATEMENT
For the Year ended _____

GROSS INCOME	_____
Quantified Free Service (QFS) Discounts Total QFS and Discounts	_____
NET INCOME	_____
EXPENSES	
Personal Services Maintenance & Other Operating Expenses	_____
TOTAL EXPENSES	_____
NET INCOME/(LOSS)	_____
ADD: OTHER INCOME	_____
NET INCOME/(LOSS) BEFORE GOVERNMENT SUBSIDY	_____
ADD: SUBSIDY	_____
NET INCOME/(LOSS) AFTER GOVERNMENT SUBSIDY	_____

Certified Correct:

Chief Accountant

AUTONOMOUS GOVERNMENT HOSPITAL CORPORATION

STATEMENT OF CASH FLOW
For the period ended _____

Cash flows from operating activities:

Net Revenue	_____
Adjustments to reconcile net revenue to net cash provided by operating activities:	
Changes in assets & liabilities	
Cash Advances	
Receivables	
Supplies & materials inventory, prepaid expenses, other assets	
Liabilities	
Total Adjustments	_____

Net cash provided by operating activities _____

Cash Flows from investing activities:

Investments in	
Government Securities	
Private Securities	
Other Investments	
Capital Expenditures	_____

Net cash used in investing activities _____

Net increase in cash _____

Cash at the beginning of the year _____

Cash, _____

Composition of Cash

Cash on Hand and In Bank	
Treasury Bills	
Time and savings deposits	
Outstanding checks	
Total	_____

Certified Correct:

Chief Accountant

VIII. BUDGET GUIDE

Budget Guide (Option 1)

AUTONOMOUS GOVERNMENT HOSPITAL CORPORATION

DATE

HOSPITAL MEMORANDUM

TO : DEPARTMENT HEADS
FROM : HOSPITAL DIRECTOR
SUBJECT : CORPORATE PLAN

Attached for your review are the Corporate Plan and Budget Guidelines which will be used for the development of your department plans and budget for the calendar year. The forms and instructions contained in this package have been reviewed and approved by the Financial Planning and Monitoring Committee.

Since this Corporate Plan contains both the information and the procedures to be used in preparing the hospital's operating plan and budget, you are requested to carefully review it and be prepared to raise any questions you might have at either the general or technical budget meetings.

You are advised to discuss your department's present operations and future plans with the persons who are directly responsible to you. Your staff should be briefed of the hospital's financial situation and plans for the year, and their assistance should be solicited. You are urged to consult with other department heads whose responsibility centers affect your operations.

In developing your operating plans and budget, you should also carefully review the assumptions and listing of operational priorities. These factors should weigh heavily both in the analysis of your own functions and activities and in the design of your departmental operating plan.

To permit time both for consolidation of all budgets and for review of the total budget prior to the presentation to the Governing Board, you are hereby requested to begin preparation as soon as possible and to comply with the due dates as set out in the budget calendar.

The Budget Officer and the Department of Finance are available to provide you with any needed technical support or data. Call upon them whenever they can be of assistance.

AUTONOMOUS GOVERNMENT HOSPITAL CORPORATION

BUDGET CALENDAR

DATE	ACTIVITIES
March 20	General budget meeting with department heads and workshop on preparation of the budget
March 22-29	Presentation of preliminary budget drafts of the different departments for review by the technical budget team
March 30-April 25	Budget hearings per department to be conducted by the budget committee
April 27	Submission of final budget drafts by departments
May 4	Initial integrated budget due from Finance Department
May 8- 15	Administrative Meeting – Budget Review and Adjustment
May 20	Budget completed and distributed to the members of the Governing Board
June	Budget approval by the Governing Board
July to September	Budget presentation to Congress and Senate
October	Dissemination of final budget details to the respective departments

TECHNICAL BUDGET SUPPORT TEAM

N A M E	DEPARTMENT ASSIGNMENT
<i>(Names of employees from the finance department assigned to assist the different departments in the preparation of budget estimates)</i>	
Budget Officer <i>(tel. #)</i>	Department of Medicine & Surgery
Chief Accountant <i>(tel. #)</i>	Department of Laboratory Medicine
Chief, Operations Accounting Section <i>(tel. #)</i>	Department of Nursing Services
Chief, General Accounting Section <i>(tel. #)</i>	Department of Radiological Services
Chief, Budget Division <i>(tel. #)</i>	Department of Ancillary Services Department of Administrative Services Executive Offices

AUTONOMOUS GOVERNMENT HOSPITAL CORPORATION

STATEMENT OF GENERAL OBJECTIVES AND POLICIES

In recognition of both its role as a community resource and its obligation to the community, the Governing Board of the Autonomous Government Hospital Corporation commits itself in using the resource entrusted to it in providing the community with needed health care services, at an acceptable level of quality, and at the least possible cost.

In order to achieve this purpose, the Governing Boards establish the following general policies as parameters for purpose of guiding the operation of the corporation:

1. To generate adequate return for the Hospital to be able to improve its cash generation and therefore reduce government's assistance to this Institution.
2. To preferentially direct capital expenditures to those projects that are economically viable so that a high rate of return on investments can be realized under a short period of time.
3. To effectively market the services of the hospital to private patients which should maximize utilization of our present resource facilities and manpower complement.
4. To be able to provide timely, accurate and adequate medical business information to the various government regulatory agencies and private companies.
5. To extent of this financial ability, provide quality service to those who are not able to pay.
6. Through the application of sound and creative management technique and leadership, the hospital assures that assets are utilized in a manner which produce the greatest benefit to its service area.

ENVIRONMENTAL STATEMENT

The following is an analysis of the Hospital present operating environment. This analysis describes the environment in terms of the strengths and weakness of the hospital, the nature of its role within the community and the general condition of its operating

environment. These major factors which are likely to influence its operations over the next 3 to 5 years.

A. Internal Environment

Physical Plant & Equipment. *(Provide information on the condition of fixed assets, depreciation policy and other related information)*

Average age of building is 10 years, is fully air conditioned and meets the requirements for health and fire safety codes. Maintenance costs are stabilized but can be expected to increase over the next 2 to 5 years. The building is presently utilized to capacity although its grounds will accommodate additional facilities. Additional services will require new structures.

Major medical equipment and instruments were purchased more than 10 years ago. Most of them are fully depreciated and have passed their 10 years' estimated life span. No government subsidy were given for capital outlay, thus replacement of equipment has to be programmed

Financials *(Give brief summary of past 2-3 years growth in terms of net margins, capital expenditure increases, subsidy increases, etc.,)*

Net margin has increased for the past two years. As a result modest revenue has been generated for purposes of new programs. Internal resources are not yet sufficient to support any large scale capital expenditure program of the hospital. Government subsidy is at least 16% of the total budget.

Organization *(Pertains to the staffing of the hospital)*

Staff levels at 78% of the Institute approved complement. Medical staff are well trained and organized. There is a fast turnover of nurses which affect delivery of service.

B. External Environment

Political and Peace and Order Situation

The Mindanao crisis has greatly affected all sectors of society. It has slowed down economic growth particularly in the big cities in the south, compromised delivery of health services, and has dented the image of the country in the international community. This situation has also drained the government to the point that budgets of the other Departments were tapped to sustain the operations of the Mindanao Crisis Management Group.

With 2001 as election year, tension and some forms of instability particularly during campaign period and a few months after election. During the campaign period, money is free flowing (printing business is up, public relation campaigns are in full swing to include medical mission or similar outreach projects, interest rates are low because money is in circulation, etc.).

Economic Condition

The economic condition of the country has been seriously hit both internal and external factors. The recent exposes and counter exposes and the ongoing senate hearings involving highly-placed officials, the Mindanao crisis and the erratic financial crisis in the Asia Pacific region are about just some of these. The US Dollar rate have reveled off at P51.36 but is expected to go higher should the above-mentioned concerns escalate to higher levels. The inflation rate is still at single digit figure of 4% (average), but may end the year with double digit inflation rate. However in 2002 however, the inflation rate may "improve" with government's intervention.

Health Care Industry

The Department of Health through its secretary has expressed continued support to corporate hospitals but has also emphasized the need for these hospitals to be self-sustaining while continuing to support the various programs and projects of the DOH.

The private medical centers are aggressively upgrading its facilities to be able to provide high quality hospital services using state of the art and highly technical equipment and facilities.

Technical upgrades of equipment and facilities will continue to occur at a faster phase of every 3 years. However, these upgrades are very expensive and has therefore restricted its availability to only the big major hospitals. In the government sector, the specialty medical centers are trying to keep up with the trend but is constrained by funds availability from the national government.

Philhealth has increased healthcare benefits and has definite future plans to widen coverage to include all sectors of the society. They have also piloted an area in Laguna where they are testing the extended Medicare benefits to cover outpatient services. If this pilot projects turns out to be feasible, then PHIC can go nationwide on its implementation.

Legislation

The local government code is again being reviewed to gauge the success of the devolution particularly of the hospitals. The review may eventually end up with reverting back management and control of these hospitals to the DOH or it may strengthen the devolution further by creating a stronger linkage with DOH.

ASSUMPTIONS

The following assumptions represent management's "best judgement" as to the events that will affect hospital operation. These "macro level" assumptions should be carefully enhanced through the projection of more detailed operational assumption at the responsibility center level.

- A. Demand for inpatient services in the coming fiscal year is expected to remain at about the same level as currently being experienced. However, medical technology upgrades will require purchases of more sophisticated medical equipment and facilities. Because of tight financial economic conditions medical services is seeing an increasing trend towards out patient surgeries. It is therefore imperative the out patient facilities and capabilities be strengthened to meet this demand.

Operational Implication

No new implication. Increased attention, however, must be focused on increasing the productivity of the inpatient production function.

- B. Technological advances and/or the increased demand for primary care, routine laboratory and radiology workload can be expected to increase. If properly channeled, the increase in primary care will result in a moderate decrease in emergency room visit.

Operational Implication

Plant and equipment capacity in both laboratory and radiology is sufficient to accommodate a moderate to medium increase in workload. In view of the complimentary need to increase efficiency a moderate increase in workload in these areas should be accommodate through increase staff productivity. A medium increase in workload will require an increase in staff.

The decrease in emergency room workload, while significant will not be sufficient to result in any major staffing patterns changes.

- C. Medical inflation rate is usually 2 to 3 times the general inflation rate. As such, cost of medical supplies and materials are expected to increase at the rate of 12% per year.

Operational Implication

A fifteen percent increase in cost will result in both increase consumer and governmental pressure on the health delivery system and an increase willingness to impose stringent regulatory measure. To avoid arbitrary decision, cost must be controlled. This can be achieved through increased productivity. Operationally, this means that work procedures, processes, and staffing patterns must be reviewed at every level with result oriented modification made to increase efficiency.

OPERATING POLICY DECISIONS

Program Priorities

Given the general objective of the hospital and executive management evaluation of both the environmental statement and the statement of assumptions, program area priorities have been established as follows:

1. Primary Care & Wellness Program
2. Outpatient Patient Services Program
3. Radiology
4. Inpatient Patient Services Program
5. Ancillary Patient Services Program
6. Laboratory Program
7. Surgical Program
8. Environmental Services Program
9. Personnel and Education Program
10. Fiscal Services Program
11. Administrative Services Program

Funding Guideline

Revenue Sources:

- 15% of revenue obtained through patient having private health insurance.
- 30% of revenue obtained through Medicare Program payments.
- 20% of revenue obtained through subsidy from the National Government.
- 15% of revenue obtained through patient being sponsored by congressman, senators and others.
- 20% revenue obtained through self responsible patients.

Programs/Project Funding

1. Existing patient care and environmental services programs to be funded at their present scope without improvements/expansion being obtained through productivity increase. Primary care projects to be given, with the approval of the governing Board, priority access to unrestricted philanthropic contribution.
2. Personnel and education, fiscal services, and administrative services programs to be reviewed with scope, to the extent possible, reduced. Funds made available through this effort, shall be used to support primary care initiative

OPERATING OBJECTIVES

Financial

Continue to maintain a financially self-sufficient position through the Generation of positive net operating margin of at least 2.5%

Quality of Services

Provide necessary and appropriate service at an acceptable level of technical quality.

Primary Care

Provide the basis for increasing the community's access to primary care by developing a plan of action and implementing said plan.

Operating

Provide for improvement/expansion in services through increase in productivity.

MAJOR PLANS/PROJECTS

(Indicate major plans and projects for the next three years)

2002

2003

2004

PROJECTION PACKAGE

PERFORMANCE INDICATORS	2002	2003	2004	2005
Occupancy Rate				
Average length of stay				
Medical				
Surgical				
Actual Number of Beds				
No. of In-patient				
Private				
Service				
Out-patient Visits				
Private				
Service				
Operations				
Major				
Minor				
Radiological Services				
Clinical Laboratories				
Ancillary laboratories				

Note : The Projection package should be customized for each of the volume dependent responsibility centers by providing both total patient days and unique workload estimates for the particular responsibility center; e.g. , for the patient care unit: patient days of that unit ; for dietary: projected meals by type of diet.

SPECIFIC GUIDELINES

A. Sales/Revenue Statement (Schedule 1)

1. Operating and service income shall include all types of revenues generated by the department in the usual course of operations.
2. Miscellaneous income shall include all other revenues which do not occur in the ordinary course of operations. Example will be sales of waste materials, fines and penalties, earnings from seminar fees, etc.
3. Projected Workload and Measurable Performance Indicator (Schedule 1a). Provide information on projected operational statistics using OPD rates.

B. Personal Services (Schedule 2)

1. Basic Salaries

Salaries shall be equal to the annual salaries of actual positions (warm bodies) in each department. All requests for additional staff should be supported with justifications. No salary increase proposal shall be included in the PS computation.

2. Representation and Transportation Allowance (RATA)

A monthly RATA shall be provided to the following officials, and those with equivalent ranks pursuant to Gen. Provisions, RA No. 8760 as shown below.

Executive Director	-	P 8,300.00
Deputy Directors	-	7,150.00
Department Managers	-	5,900.00
Chief of Division	-	5,350.00

3. Personnel Economic Relief Allowance (PERA)

PERA shall be provided for all appointed employees pursuant to Sec. 48. Gen. Provisions, RA No. 8522

4. Terminal Leave Benefits

Terminal leave benefits shall be granted to officials and employees who are retiring in FY 2002 using the following formula:

$$\text{TLB} = \frac{D}{22} \times S$$

where

TLB	=	Terminal Leave Benefits
D	=	No. of Days of Leave Credits
S	=	Highest Basic Monthly Salary currently received by the employee
22	=	Ave. No. of working days in the month pursuant to RA 6758

5 Merit/Longevity Pay

Step increments for merit and length of service equivalent to 1% of the total salaries shall be provided pursuant to RA 7305.

6 Additional Compensation

Additional compensation of P500.00 per month shall be granted to each employee whose salary grade is 25 and below pursuant to Administrative Order no. 53.

7 Magna Carta Benefits new IRR of (RA 7305)

Provide the following to each employee (per month):

Hazard Pay	-	*
Subsistence	-	P 900.00
Laundry	-	P 125.00

8 Uniform/Clothing Allowance

Uniform/clothing allowance of P4,000.00 per annum shall be provided to each employee pursuant to Sec. 45, Gen. Provisions of RA 8760.

9 Bonus and Cash Gifts

One month basic salary plus P5,000 cash gifts for each employee.

10 Productivity Incentive Benefit (NCC 73 - December 27, 1994)

P2,000 per annum for each employee.

11 Statutory Contributions

The hospital shall provide a counterpart for each employee's contributions to the following government agencies:

GSIS	=	12% of salaries
HIC/Medicare	=	P 750.00/annum
Pag-ibig	=	P1,200.00/annum
ECIP	=	P 360.00/annum

12 Overtime Pay

Should not exceed 2% of annual total salaries of employees.

13 Plantilla (Schedule 2a and Schedule 2b)

C. Maintenance and Other Operating Expenses (Schedule 3)

- 1 MOOE shall be computed based on the actual needs and shall be broken down by object classification, properly supported with schedules and breakdowns:

02	-	Traveling Expenses (Schedule 3a.1 and 3a.2)
03	-	Communication Services (Schedule 3b)
04	-	Repair and Maintenance of Government Facilities (Schedule 3c)
06	-	Transportation Services
07	-	Supplies and Materials (Schedule 3d)
08	-	Rents
14	-	Water, Illumination and Power Services (Schedule 3e and Schedule 3f)
15	-	Retirement Gratuities (Schedule 3g)
17	-	Training and Seminar Expenses (Schedule 3h)
18	-	Extraordinary and Miscellaneous Expenses
19	-	Confidential and Intelligence Expenses
23	-	Gasoline, Oil and Lubricants
24	-	Fidelity Bond and Insurance Premiums
27	-	Library Books and Materials (Schedule 3i)
29	-	Other Services (Schedule 3j)

- 2 Travelling expenses (02) shall be computed pursuant to E.O. No. 248 supported by data in Schedule 3a.

- 3 Rents (08) shall specify the total floor area and total cost. A copy of contract of lease shall be attached to the proposal.
- 4 Water, Illumination and Power Services (14) shall be computed based on:
 - 4.1 Water = estimated water consumption in cubic meters and the estimated amount (Schedule 3e).
 - 4.2 Illumination and Power Services = estimated no. of kilowatt hours and the estimated amount (Schedule 3f).

This expense will be initially computed by GSD which in turn will present the allocation per department. The allocation will be disseminated to the respective department by GSD.

- 5 Retirement Gratuity (15) shall reflect only those schedules for compulsory retirement in FY 2001-2003.
 - 5.1 Gratuity for optional retirement shall be separately presented.
 - 5.2 Retirement Gratuity of employees who are retiring in 2002 shall be determined by converting the total number of creditable services into gratuity months as follows:

1 month each year for first 20 years of services

1.5 months each year for over 20 to 30 years of services

2 months each year over 30 years of service

Then compute the amount of Retirement Gratuity

$$RG = GM \times S$$

where

GM = Gratuity Months

RG = Retirement Gratuity

S = Highest Basic Monthly Salary

- 6 Training and Seminar Expenses (17) shall cover attendance of official and employees on in-house and other non-government private organizations trainings. Seminar fee conducted by non-government organizations on private

institutions in the country shall not exceed P900 per day per participant pursuant to NBC 442 dated March 29, 1995. (Schedule 3h).

D. Capital Outlays

- 1 The following shall be submitted, for the proposed building or structure and/or permanent improvements:

- 1.1 For a New Unit:

- Design and cost estimates
- Description of the proposed unit
 - * total size/floor area measured in square meters
 - * type of construction such as, reinforced concrete, semi-concrete or wood frame structure, etc.
- Usage - purpose for which the unit is constructed, such as office, laboratory, training unit, recreation hall, etc.

- 1.2 For an on-going construction, percentage of completion and target date of completion.

- 2 Proposals for purchase of equipment shall be presented in Schedule 4. It shall also include proposals for purchase of library books and materials costing P10,000.00 and above per copy/unit.

For purposes of uniformity, budget estimates shall be presented in accordance with the attached format (Schedule 5).

PRESCRIBED FORM AND CONTENT

The department shall submit their respective corporate development plan using the sample forms herein attached, as follows:

SCHEDULE

PARTICULARS

- 1 Revenue Statement
 - A. Operating and Services Income

This account includes all types of revenues generated by the department in the usual course of operations.

B. Grants and Donations

This account includes all non-repayable income/revenue received from other government agencies, private sector or international institutions and organizations. Please specify amount and purpose for each grant and donation.

C. Miscellaneous Income

This account shall include all other revenues which do not accrue to the ordinary course of operations. Examples will be sales of waste materials, fines and penalties, earning from seminar fees, etc.

SCHEDULE

PARTICULARS

- | | |
|-----|---|
| 1.A | <p>Projected Workload and Measurable Performance Indicators</p> <p>Projected workload in terms of hospital statistics and such other measurable indicators shall be presented in the form to support Schedule 4.A</p> |
| 2 | <p>Summary of Budget Proposal for Personal Services</p> |
| 2.A | <p>Staffing Pattern</p> <p>Provide a detail listing of all itemized positions with the name of incumbent for each positions. Any additional positions should be supported with a justification presented in the prescribed form. New positions shall be indicated in capital letters.</p> |
| 2.B | <p>Plantilla for other Positions</p> <p>Consultants - These are personnel on honorarium basis. Specify position title and number of personnel. Briefly explain the need for the consultant's expertise explaining why this cannot be provided by the existing workforce.</p> <p>Casual or Emergency - Specify position title and number of personnel. Briefly explain the need for hiring casual employees and indicate the desired timetable for hiring.</p> |

3 Summary of Budget Proposals of Maintenance & Other Operating Expenses

Materials and Supplies - to be supported by a Procurement Program for the year 2002 only. Projected quantities of materials and supplies shall be covered by statistical utilization or consumption.

3.A Schedule of Traveling Expenses (Local) - Provide information on trip itineraries, inclusive dates of travel, amount per diem and purpose of travel.

3.A.1 Schedule of Traveling Expenses (Foreign)

3.B Communications Services - Each local telephone shall carry a cost of P175.00 per month while each direct line telephone shall cost P750.00 per month. Additional direct and/or local lines to be requested shall be justified.

3.C Repairs and Maintenance

A. Medical and Surgical Equipment Service Maintenance - Specify the number of equipment, nature of services required and annual maintenance service fee.

B. Hospital Furnitures and Fixtures Service Maintenance - Specify the number of furnitures, nature of services required and annual maintenance service fee.

C. Motor Vehicle and Transportation Equipment Maintenance - Specify type of vehicle, nature of maintenance services required, frequency of services to be rendered and estimates of maintenance cost for the service to cover the year 2002 only.

D. Office Equipment Maintenance - Specify the general category, quantity and annual maintenance service fee for 2002 only.

Provide information on the type of services which will be required for specified equipment/vehicle for the years 2002-2005.

3.D Annual Procurement Program

3E Water Consumption

- 3.F Electric Consumption
- 3.G List of Expected Retirees
- 3.H Proposed Training/Seminar Expenses

In line with the continuing education program of your department to provide detailed information on seminars, etc. to be attended by your staff for the year 2002 only.
- 3.I Proposed Library Books and Materials - To be supported by a Procurement Program for 2002 only.
- 3.J Breakdown of Other Services
- 4 Proposed Equipment Outlays
- 5 Comparative Profit and Loss Statement

AUTONOMOUS GOVERNMENT HOSPITAL CORPORATION
DEPARTMENT
SECTION

Schedule 1

REVENUE STATEMENT

	2002	2003	2004	2005
SOURCE OF INCOME				
A. OPERATING AND SERVICE INCOME				
B. GRANTS AND DONATION				
C. MISCELLANEOUS INCOME				
TOTAL GROSS HOSPITAL INCOME				

SUBMITTED BY:

xls:revenue

AUTONOMOUS GOVERNMENT HOSPITAL CORPORATION
 DEPARTMENT
 SECTION

PROJECTED WORKLOAD AND MEASURABLE PERFORMANCE INDICATORS

SOURCES	2002 (Estimate)			2003 (Proposal)			2004 (Proposal)			2005 (Proposal)		
	VOLUME	RATE	TOTAL									
A. OPERATIONS												
1. Urinalysis												
2. Fecalalysis												
3. CBC												
Sub-Total												
B. MISCELLANEOUS												
1. Sale of Waste Materials												
2. Training Fees												
Sub-Total												
GRAND TOTAL												

SUBMITTED BY:

xls:projwork

ALABAMA GOVERNMENT HOSPITAL CORPORATION
 DEPARTMENT
 SUMMARY OF BUDGET PROPOSALS (PS)
 FY 2002

PARTICULARS	DIVISIONS							TOTAL
A. PERSONAL SERVICES								
No. of Positions								
Salaries								
Other Compensation								
Honoraria								
Representation and Transp. Allow.								
PERA								
Additional Compensation								
Magna Carta Benefits								
Terminal Leave Benefits								
ECIP (360/head/annum)								
Pag-ibig (P1,200/annum)								
Medicare (P450/annum)								
Bonuses and Cash Gifts								
Pensions								
Step Increments for Merit and Length of Service								
Overtime Pay								
Clothing/Uniform Allowance								
Productivity Incentive Benefit								
Others (Specify)								
Total Other Compensation								
Gross Compensation								
Contribution for GSIS Employees' Life and Ret. Ins. Prem. (9.0% of total salaries)								
TOTAL PERSONAL SERVICES								

AUTONOMOUS GOVERNMENT HOSPITAL CORPORATION
DEPARTMENT
SECTION

Schedule 2a

STAFFING PATTERN

POSITION TITLE	2002		
	NO. OF POSITIONS	BASIC SALARY	NAME OF INCUMBENT

SUBMITTED BY:

xls: staff2a

AUTONOMOUS GOVERNMENT HOSPITAL CORPORATION
DEPARTMENT
SECTION

Schedule 2b

PLANTILLA FOR OTHER POSITIONS

POSITION TITLE	2002		
	NO. OF POSITIONS	HON/ANNUM	NAME OF INCUMBENT

SUBMITTED BY:

xls: plan2b

AUTONOMOUS GOVERNMENT HOSPITAL CORPORATION
 DEPARTMENT/OFFICE
 SUMMARY OF BUDGET PROPOSALS (MOOE)
 FY 2002

Schedule 3

PARTICULARS	DIVISIONS							TOTAL
B. MAINTENANCE & OTHER OPERATING EXPENSES								
02 Travelling Expenses (Schedules 3a.1 & 3a.2)								
03 Communication Services (Schedule 3b)								
04 Repair & Maint. Of Government Facilities (Schedule 3c)								
06 Transportation Services								
07 Supplies and Materials (Schedule 3d)								
08 Rents								
14 Water, Illumination, Power (Schedules 3e and 3f)								
15 Retirement Gratuities (Schedule 3g)								
17 Training and Seminar Expenses (Schedule 3h)								
18 Extraordinary and Misc. Expenses								
23 Gasoline, Oil and Lubricants								
24 Fidelity Bond and Insurance Premium								
27 Library Books and Materials (Schedule 3i)								
29 Other Services (Schedule 3j)								
TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES								

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AUTONOMOUS GOVERNMENT HOSPITAL CORPORATION
 SCHEDULE OF TRAVELLING EXPENSES (FOREIGN)

Schedule 3a.2

Foreign (1)	Nature of Travel (2)	No. of Personnel (3)	No. of Days (4)	Transp. Expenses (5)	Total Fare (Col. 4 x Transp. Exp.) (6)	Pre-Departure Allowance (Col. 4 x P 1500) (7)	Clothing Allowance (Col. 4 x \$400 x 40) (8)	Travel Allowance (Col. 4 x 5 x \$100 x P40) (9)	Daily Allowance (Col. 4 x 5 x \$200 x P40) (10)	Total Travelling Expenses (Col. 6 + 7 + 8 + 9 + 10) (11)

Prepared by:

xls: trav3a2

SCHEDULE OF TRAVELLING EXPENSES
OFFICE

Foreign (1)	Nature of Travel (2)	No. of Personnel (3)	No. of Days (4)	Transp. Expenses (5)	Total Fare (Col. 4 x Transp. Exp.) (6)	Pre-Departure Allowance (Col. 4 x P 1500) (7)	Clothing Allowance (Col. 4 x \$400 x 40) (8)	Travel Allowance (Col. 4 x 5 x \$100 x P40) (9)	Daily Allowance (Col. 4 x 5 x \$200 x P40) (10)	Total Travelling Expenses (Col. 6 + 7 + 8 + 9 + 10) (11)

Prepared by:

xls: trav3a2

AUTONOMOUS GOVERNMENT HOSPITAL CORPORATION
DEPARTMENT
SECTION

REPAIRS AND MAINTENANCE

TYPE OF EQUIPMENT	NATURE OF REPAIR/MAINT.	FREQUENCY OF REPAIR/MAINT.	AMOUNT PER REPAIR	TOTAL COST OF REPAIR/MAINT.
TOTAL SERVICE MAINTENANCE				

SUBMITTED BY:

xls: repair3c

AUTONOMOUS GOVERNMENT HOSPITAL CORPORATION
 FY 2002

Schedule 3f

ELECTRIC CONSUMPTION

MONTH	2002 (ESTIMATE)		2003 (PROPOSAL)		2004 (PROPOSAL)		2004 (PROPOSAL)	
	KWH	AMOUNT	KWH	AMOUNT	KWH	AMOUNT	KWH	AMOUNT
January								
February								
March								
April								
May								
June								
July								
August								
September								
October								
November								
December								
TOTAL								

xls: elec3f

AUTONOMOUS GOVERNMENT HOSPITAL CORPORATION
 FY 2002

Schedule 3e

WATER CONSUMPTION

MONTH	2002 (ESTIMATE)		2003 (PROPOSAL)		2004 (PROPOSAL)		2005 (PROPOSAL)	
	CU.M	AMOUNT	CU.M	AMOUNT	CU.M	AMOUNT	CU.M	AMOUNT
January								
February								
March								
April								
May								
June								
July								
August								
September								
October								
November								
December								
TOTAL								

Prepared by:

xls: water3e

AUTONOMOUS GOVERNMENT HOSPITAL CORPORATION
FY 2002 PROPOSED TRAINING/SEMINAR EXPENSES
OFFICE

Schedule 3h

NAME/DESCRIPTION OF TRAINING AND SEMINAR (1)	ESTIMATED NO. OF PARTICIPANTS (2)	TRAINING/SEMINAR FEE PER PARTICIPANT (3)	TOTAL (Col. 2 x Col. 3) (4)

Prepared by:

xls: train3h

AUTONOMOUS GOVERNMENT HOSPITAL CORPORATION
 BREAKDOWN OF OTHER SERVICES
 DEPARTMENT

Schedule 3j

DESCRIPTION	2001 Appropriation	2002 Proposal	2003 Proposal	2004 Proposal
Publication/Advertising				
Printing and Building				
Subscriptions				
Money Order Fees				
Meal abs Transportation or Motor Vehicle Allowance for Overtime Work				
Janitorial Services				
Professional Services				
Professional Consultancy Services				
Others (Specify)				
TOTAL				

Prepared by:

als: other3j

AUTONOMOUS GOVERNMENT HOSPITAL CORPORATION
LIST OF EXPECTED RETIREES
FY 2002

NAME	POSITION TITLE	HIGHEST MONTHLY SALARY	DATE OF BIRTH	DATE OF FIRST ASSUMPTION OF OFFICE IN THE GOV'T.	EXPECTED DATE OF RETIREMENT	NO. OF YEARS IN THE GOV'T.	AMOUNT TERMINAL LEAVE	RETIREMENT GRATUITY	PLACE OF ASSIGNMENT	TYPE OF RETIREMENT

Prepared by:

Approved by:

411

AUTONOMOUS GOVERNMENT HOSPITAL CORPORATION
PROPOSED LIBRARY BOOKS AND MATERIALS
FY 2002
OFFICE

Schedule 3i

DESCRIPTION	QUANTITY	UNIT COST	TOTAL AMOUNT
TOTAL			

NOTE: Books costing below P10, 000 per copy/unit

Prepared by:

xls: libra3i

AUTONOMOUS GOVERNMENT HOSPITAL CORPORATION
 *FY 2002 PROPOSED EQUIPMENT OUTLAYS
 OFFICE

Schedule 4

Equipment Item (By type and with description) (1)	PROPOSAL					Inventory of Existing Similar Equipment		Justification
	Qty. (2)	Unit Cost (3)	Total Amt. (4)	Month Needed (5)	I, A, R (6)	Serviceable	Unserviceable	
						(7)	(8)	

*Pls. see attached instructions in filling up the forms

Prepared by:

Concurred by:

 xls: eqt0114

 Director

1/1

AUTONOMOUS GOVERNMENT HOSPITAL CORPORATION
 DEPARTMENT
 SECTION

Schedule 5

COMPARATIVE PROFIT AND LOSS STATEMENT

	2001	2002	2003	2004	2005
GROSS HOSPITAL REVENUE (Schedule 1)					
OPERATING EXPENSES PERSONAL SERVICES (Schedule 2)					
MAINTENANCE AND OTHER OPERATING EXPENSES (Schedule 3)					
NET HOSPITAL INCOME					
ADD: FINANCIAL INCOME					
NET INCOME					

SUBMITTED BY:

als: comprofS

Budget Guide (Option 2)

AUTONOMOUS GOVERNMENT HOSPITAL CORPORATION

DATE

HOSPITAL MEMORANDUM

TO : DEPARTMENT HEADS
FROM : HOSPITAL DIRECTOR
SUBJECT : CORPORATE PLAN

Attached for your review are the Corporate Plan and Budget Guidelines which will be used for the development of your department plans and budget for the calendar year 200X. The forms and instructions contained in this package have been reviewed and approved by the Financial Planning and Monitoring Committee.

Since this Corporate Plan contains both the information and the procedures to be used in preparing the hospital's operating plan and budget, you are requested to carefully review it and be prepared to raise any questions you might have at either the general or technical budget meetings.

You are advised to discuss your department's present operations and future plans with the persons who are directly responsible to you. Your staff should be briefed of the hospital's financial situation and plans for the year, and their assistance should be solicited. You are urged to consult with other department heads whose responsibility centers affect your operations.

In developing your operating plans and budget, you should also carefully review the assumptions and listings of operational priorities. These factors should weigh heavily both in the analysis of your own functions and activities and in the design of your departmental operating plan.

To give you time both for consolidation of all budgets and review of the total budget prior to the presentation to the Governing Board, you are hereby requested to begin preparations as soon as possible and to comply with the due dates as set out in the budget calendar.

The Budget Office and the Department of Finance are available to provide you with any needed technical support or data. Call upon them whenever they can be of assistance.

AUTONOMOUS GOVERNMENT HOSPITAL CORPORATION

B U D G E T C A L E N D A R

<u>DATE</u>	<u>ACTIVITIES</u>
March 20	General budget meeting with department heads and workshop on preparation of the budget.
March 22-29	Presentation of preliminary budget drafts of the different departments for review by the technical budget team
March 30-April 25	Budget hearings per department to be conducted by the budget committee
April 27	Submission of final budget drafts by departments
May 4	Initial integrated budget due from Finance Department
May 8- 15	Administrative Meeting - Budget Review and Adjustment
May 20	Budget completed and distributed to the Governing Board
June	Budget approval by the Governing Board
July to September	Budget presentation to Congress and Senate
October	Dissemination of final budget details to the respective departments

AUTONOMOUS GOVERNMENT HOSPITAL CORPORATION

STATEMENT OF GENERAL OBJECTIVES AND POLICIES

In recognition of its role as a community resource and its obligation to the community, the Governing Board of the Autonomous Government Hospital Corporation commits itself in using the resources entrusted to it in providing the community with needed health care services, at an acceptable level of quality, with the least possible cost.

In order to achieve this purpose, the Governing Boards establish the following general policies as parameters for purpose of guiding the operation of the corporation:

1. To generate adequate return for the Hospital to be able to improve its cash generation and therefore reduce government's assistance to this Hospital.
2. To preferentially direct capital expenditures to those projects that are economically viable so that a high rate of return on investments can be realized under a short period of time.
3. To effectively market the services of the Hospital to private patients which should maximize utilization of present resource facilities and manpower complement.
4. To provide timely, accurate and adequate medical business information to the various government regulatory agencies and private companies.
5. To the extent of its financial capability, provide quality service to those who are not able to pay.
6. Through the application of sound and creative management technique and leadership, the hospital assures that assets are utilized in a manner which produces the greatest benefit to its service area.

ENVIRONMENTAL STATEMENT

The following is an analysis of the Hospital's present operating environment, describing in terms of the strengths and weaknesses of the hospital, the nature of its

role within the community and its general condition. These major factors are likely to influence its operations over the next 3 to 5 years.

A. Internal Environment

Physical Structure & Equipment. *(Provide information on conditions of physical assets, depreciation policy, etc.)*

The average age of the hospital building is 10 years, is fully air-conditioned and meets the requirements for health and fire safety codes. Maintenance costs are stabilized but can be expected to increase over the next 2 to 5 years. The building is presently utilized to capacity although its grounds will accommodate additional facilities. Additional services will however require new structures.

Major medical equipment and instruments were purchased more than 10 years ago. Most of them are fully depreciated and have passed the 10 year estimated life span. No government subsidies were given for capital outlay, thus expenses for replacement of equipment has to be programmed.

Financials *(Give a brief summary of past 2-3 years growth in terms of net margins, capital expenditure increases, subsidy increases, etc.)*

Net margin has increased for the past two years. As a result, modest revenue has been generated for purposes of new programs. Internal resources are not yet sufficient to support any large scale capital expenditure program of the hospital. Government subsidy is at least 16% of the total budget.

Organization *(Pertains to staffing of the Hospital)*

Staff level is at 78% of the Institute's approved complement. Medical staff are well trained and organized. However, for the past months there has been a continuous turnover of nurses which affects delivery of service.

B. External Environment

Political and Peace and Order Situation

The Mindanao crisis has greatly affected all sectors of society. It has slowed down economic growth particularly in the big cities in the south, compromised delivery of health services and has dented the image of the country in the international community. The situation has also drained the

government to the point that budgets of other departments were tapped to sustain the operations of the Mindanao Crisis Management Group.

With 2001 as election year, tension and some forms of instability set in particularly during the campaign period lasting a few months after election. During the campaign period, money was free flowing (printing business is up, public relation campaigns are in full swing to include medical missions or similar outreach projects, interest rates are low because money is in circulation, etc.).

Economic Condition

The economic condition of the country has been seriously hit both by internal and external factors. The recent exposes and counter exposes and the on-going senate hearings involving highly-placed officials, the Mindanao crisis and the erratic financial crisis in the Asia Pacific region are just about some of these. The US dollar rate has leveled off at P51.36 but is expected to go higher should the above-mentioned concerns escalate to higher levels. The inflation rate is still at a single digit figure of 4% (average), but maybe in double figures by the end the year. In the year 2002 however, the inflation rate is expected to improve with government's intervention.

Health Care Industry

The Department of Health through its secretary has expressed continued support to corporate hospitals but has also emphasized the need for these hospitals to be self-sustaining while continuing to support the various programs and projects of the DOH.

Most of the private medical centers are aggressively upgrading their facilities in order to provide quality hospital services using state of the art equipment.

Technical upgrades of equipment and facilities will continue to occur at a faster phase of every 3 years. However, these upgrades are very expensive and has therefore restricted its availability to only the big-name hospitals. In the government sector, the specialty medical centers are trying to keep up with the trend but is constrained by funds availability from the national government.

Philhealth has increased healthcare benefits and has definite future plans to widen coverage to include all sectors of society. They have also piloted an area in Laguna where they are testing the extended Medicare benefits to cover out-patient services. If this pilot project turns out to be feasible, then PHIC can go nationwide on its implementation.

Legislation

The local government code is again being reviewed to gauge the success of the devolution scheme particularly of hospitals. The review may eventually end up with reverting back management and control of these hospitals to the DOH or it may strengthen the devolution further by creating a stronger linkage with DOH.

ASSUMPTIONS

The following assumptions represent management's "best judgment" as to the events that will affect hospital operations. These "macro level" assumptions should be carefully enhanced through projections of more detailed operational assumptions at the responsibility center level.

- A. Demand for in-patient services in the coming fiscal year is expected to remain at about the same level as currently being experienced. But because of tight financial economic conditions, medical services is seeing an increasing trend towards out-patient surgeries. It is therefore imperative that out-patient facilities and capabilities be strengthened to meet this demand. However, medical technology upgrades will require purchase of more sophisticated medical equipment and facilities.

Operational Implication

No new implication. Increased attention, however, must be focused on increasing the productivity of the in-patient production function.

- B. Technological advances and/or the increased demand for primary care, routine laboratory and radiology workload are expected to increase. If properly channeled, the increase in primary care will result in a moderate decrease in emergency room visit.

Operational Implication

Physical structure and equipment capacity in both laboratory and radiology is sufficient to accommodate a moderate to medium increase in workload. In view of the complimentary need to increase efficiency, a moderate increase in workload in these areas should be accommodated through increased staff productivity. A medium increase in workload will require an increase in staff.

The decrease in emergency room workload, while significant will not be sufficient to result in any major staffing pattern changes.

- C. Medical inflation rate is usually 2 to 3 times the general inflation rate. As such cost of medical supplies and materials are expected to increase at the rate of 12% per year.

Operational Implication

A 15% increase in cost will result in both increased consumer and governmental pressure on the health delivery system and an increased willingness to impose stringent regulatory measures. To avoid arbitrary decisions, costs must be controlled. This can be achieved through increased productivity. Operationally, this means that work procedures, processes, and staffing patterns must be reviewed at every level with result-oriented modifications made to increase efficiency.

OPERATING POLICY DECISIONS

Program Priorities

Given the general objectives of the hospital and executive management evaluation of both the environmental statement and the statement of assumptions, program area priorities have been established as follows:

1. Primary Care and Wellness Program
2. Outpatient Patient Services Program
3. Radiology
4. Inpatient Patient Services Program
5. Ancillary Patient Services Program
6. Laboratory Program
7. Surgical Program
8. Environmental Services Program
9. Personnel and Education Program
10. Fiscal Services Program
11. Administrative Services Program

Funding Guideline

Revenue Sources:

- 15% of revenue obtained through patients having private health insurance.
- 30% of revenue obtained through Medicare Program payments.
- 20% of revenue obtained through subsidy from the National Government.
- 15% of revenue obtained through patients being sponsored by congressmen, senators, etc.
- 20% revenue obtained through self responsible patients.

Programs/Project Funding

1. Existing patient care and environmental service programs to be funded at their present scope without improvements/expansion being obtained through productivity increase. Primary care projects to be given, with the approval of the governing Board, priority access to unrestricted philanthropic contribution.
2. Personnel and education, fiscal services, and administrative services programs to be reviewed with scope, to the extent possible, reduced. Funds made available through this effort, shall be used to support primary care initiative

OPERATING OBJECTIVES

Financial

Continue to maintain a financially self-sufficient position through the generation of a positive net operating margin of at least 2.5%.

Quality of Service

Provide necessary and appropriate service at an acceptable level of technical quality.

Primary Care

Provide the basis for increasing the community's access to primary care by developing a plan of action and implementing said plan.

Operating

Provide for improvement/expansion in services through increase in productivity.

PROJECTION PACKAGE

Note : The projection package should be customized for each of the volume dependent responsibility centers by providing both total patient days and unique workload estimates for the particular responsibility center; e.g., for the patient care unit: patient days of that unit ; for dietary: projected meals by type of diet.

TOTAL PATIENT DAY FORECAST *

<u>Year</u>	<u>Patient Days</u>	<u>Approximate</u>
1	123,951	75%
2	138,375	80%
3	135,221	82%
4	138,011	84%
5	138,656	85%
Projected Year	138,300	85%

* Excludes Nursery Days

PROJECT DECISION PACKAGE

1. Program Area: _____ 2. Activity: _____

3. Objectives: _____

4. Activity Description: _____

Starting Date _____ Completion Date _____

5. Activity Benefit:

6. Resource Estimates	
<u>Man Years</u>	<u>Expense</u>
Mgmt.	Salaries
Super.	Travel
Tech.	Others
Cler.	Cap.Costs
Total _____	Total _____

7. Alternatives: Alternative Way of Accomplishing the Same Result			
<u>No.</u>	<u>Alternatives</u>	<u>Benefit</u>	<u>Resource requirement</u>
_____	_____	_____	Manyears _____ P _____
_____	_____	_____	_____

8. Alternatives: Alternative Levels of Effort			
<u>No.</u>	<u>Alternatives</u>	<u>Benefit</u>	<u>Resource Requirement</u>
_____	_____	_____	Manyears _____ P _____
_____	_____	_____	_____

9. Ranking		
<u>No.</u>	<u>Alternative Number</u>	<u>Resource Requirement</u>
1.	_____	_____
2.	_____	_____
3.	_____	_____
4.	_____	_____
5.	_____	_____
6.	_____	_____

10. Identification of
Package Developer

Date: _____

PROJECT DECISION PACKAGE INSTRUCTIONS

1. Program Department Area

Identification by name of the Program/Department Area being addressed; e.g. Environmental Services, Administration, Out-Patient Services, etc.

2. Activity

Identification of the activity being addressed; e.g., in Environmental Services it might be, Heating and Cooling Plant; in Out-Patient Services it might be Community Mental Health, etc.

3. Objective

Restatement of the Program Area's objective or that portion of the objective to which the activity applies; e.g., in Out-Patient Services for the Community Mental Health activity the objective might be: to provide the total service area with convenient access to mental health service.

4. Activity Description

Generic statement of the activity, including starting and completion dates from a process perspective; e.g., for Environmental Services, Heating and Cooling Plant Professional, licensed supervision, operation and minor maintenance or an around the clock bases of the central heating and cooling system. Ongoing activity.

5. Activity Benefit/Result

Statement in quantified terms of the benefit/result or output of the activity. Result must relate to the Program Area objective and be quantified; e.g. Out-Patient Services, Community Mental Health through the use of outreach efforts, provide convenient access to mental health services for the total service area as measured by an increase in patient visits by existing patients of 5,000 and the provision of services to, at least, 1,000 new patients.

6. Resources

Statement of estimated resource requirements. Expense information should just be direct costs. (Note: Detailed resource estimates should be provided only after specific project funding decisions. Detailed estimates should be provided on the

appropriate personnel, supplies and other expenses and capital budget forms. These forms should be completed per the appropriate instructions).

7. **Alternatives: Alternative Way of Accomplishing the Same Result**

The purpose of this section is to force consideration of alternatives. In this instance, it is alternative ways of accomplishing the same result. The first alternative in this section should be numbered two (2) since the alternative indicated in item 4 is number one (1). Other alternatives should be ranked sequentially. In the alternative section, a different approach to achieving the same end should be identified; e.g., hiring a consultant as opposed to doing the job yourself, or purchasing laundry services on a contract basis as opposed to operating the hospital's own laundry, centralizing OB on a community wide basis, etc.: If no viable alternative exists, then this section should be left blank.

8. **Alternatives: Alternative Levels of Effort**

The purpose of this section is to focus attention on alternative levels of investment and their resulting benefits; e.g., for P200,000 increase patient visits by 3,000 and new patients by 1,000, do 8 reviews with a savings of P500,000, for increased patient visits by 3,000 and new patients P150,000 by 500. This section should just address alternatives to the level of activity of choice.

In the "number" column, the sequential listing of alternatives should be continued from the above section. Under alternative, the nature of the alternative should be briefly stated; e.g., 3,000 visits increase, 1,000 new patients, etc.

Under the "benefit" column the benefit obtained from the alternative level of effort should be defined; e.g., convenient access to only 90% of the total service area.

The "resource" column should be completed the same way as the case above.

If the alternative is to forego the activity then the nature of the lost benefit should be set out.

9. **Ranking**

Identification of the ranking of each of the alternatives should be identified by their sequential number.

Resource Requirements are just a restatement of the above columns.

10. Identification and Date

Signature of the manager responsible on a day to day basis for the operation of the activity and the date on which the Decision Package is to be submitted for review.

MANUAL ON HOSPITAL FINANCIAL MANAGEMENT

PART 2

This report was made possible through support provided by the U. S. Agency for International Development, under the terms of Contract No. HRN-I-00-98-00033-00. The opinions expressed herein are those of the author(s) and do not necessarily reflect the views of the U. S. Agency for International Development.

AUTONOMOUS GOVERNMENT HOSPITAL CORPORATION

FINANCIAL MANAGEMENT MANUAL (Part II)

SPECIFIC GUIDELINES AND PROCEDURES

TABLE OF CONTENTS		PAGE
I.	BUDGET SYSTEM	1
	▪ Preparation of Budget	2
II.	BILLING SYSTEM	9
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I. BUDGET SYSTEM

SYSTEM NAME: BUDGET SYSTEM
 FUNCTION NAME: PREPARATION OF BUDGET

Responsibility Area	Seq. No.	Activity
Finance Department/ Budget Division Division Chief	1	<p>Receives copy of the Budget Call issued by the Department of Budget and Management. Meets with the members of the Financial Planning and Monitoring Committee (FPMC) to formulate the following in line with the budget preparation guidelines:</p> <ul style="list-style-type: none"> ○ Hospital Environmental Statement ○ General Objectives and Policies ○ Budget Assumptions ○ Program Priorities ○ Operating objectives

Notes:

The Financial Planning & Monitoring Committee shall be composed of:

- Hospital Director
- Assistant Directors- Medical and Administrative
- Finance Department Manager
- Budget Officer
- Supply Officer
- Chief Accountant

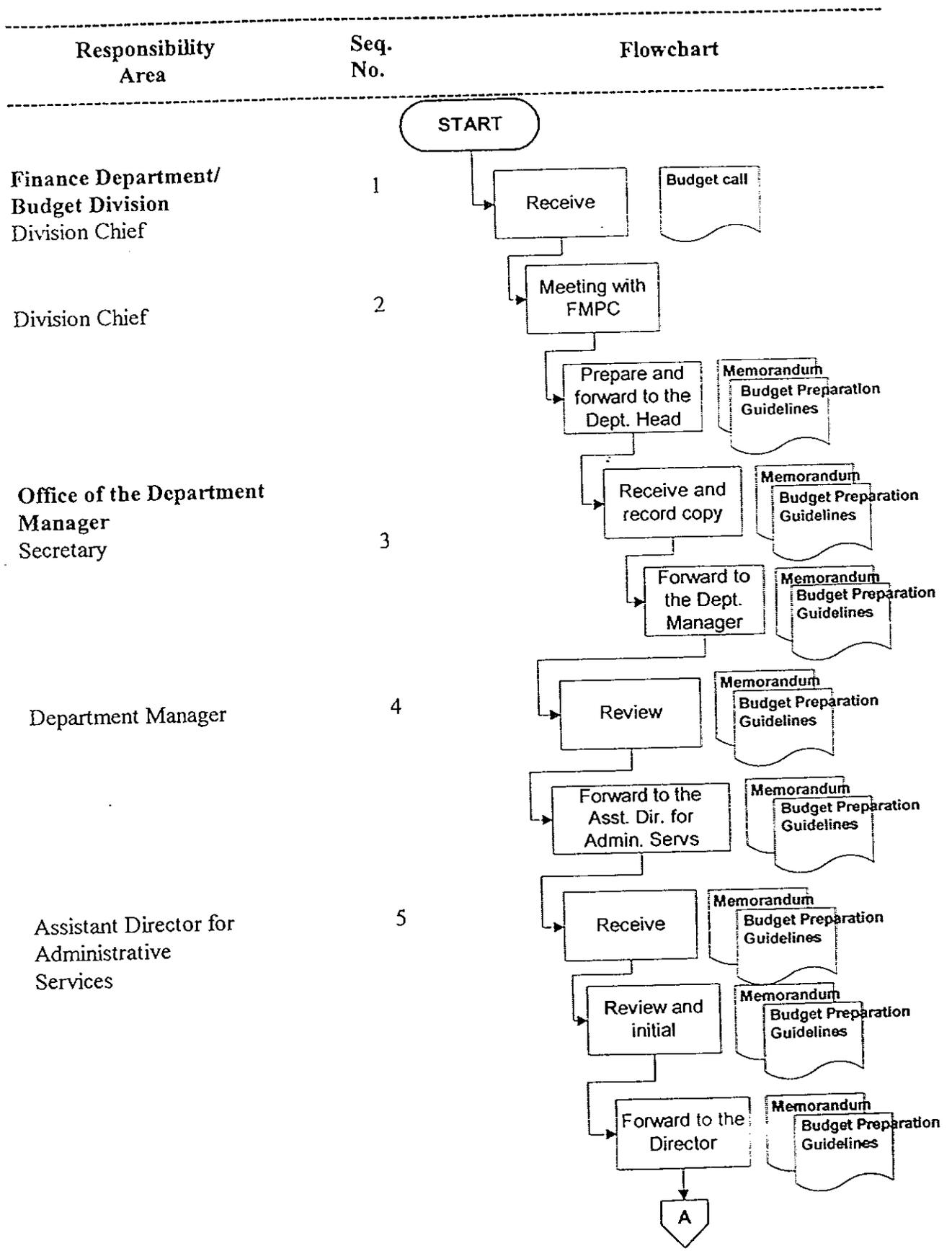
The environmental statement shall set out:

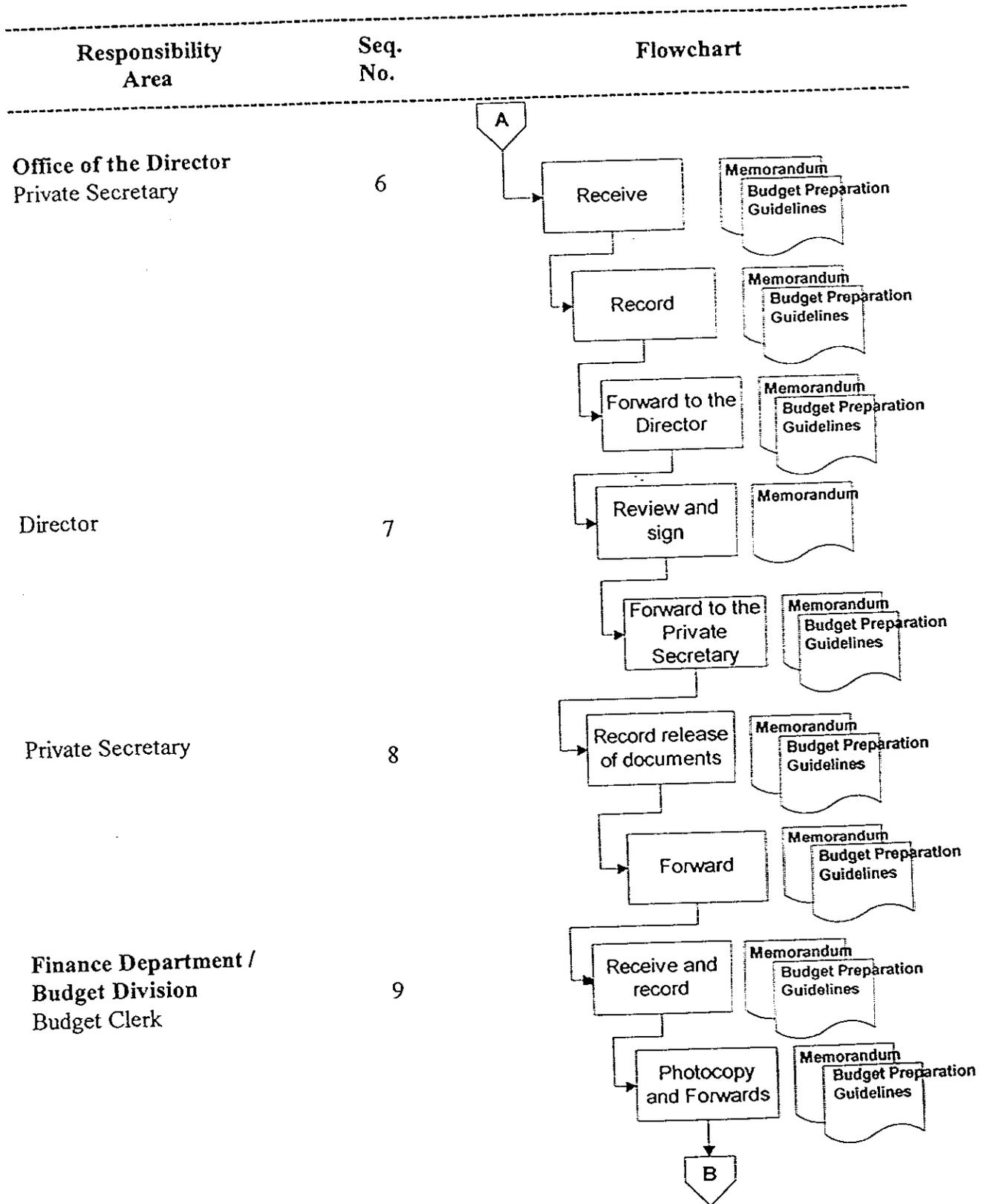
- Strengths and weakness of the hospital;
- Nature of the hospital's role within the community;
- Characteristic of, and any changes in the population being served; and
- Other data that can be used to provide an objective picture of the hospital's current situation.

Responsibility Area	Seq. No.	Activity
Division Chief	2	Based on the result of the meeting of the FPMC, prepares memorandum for the Department Head regarding the budget preparation. Forwards the memorandum and budget preparation guidelines to the Department Manager for review. Note: The budget preparation guidelines shall include the following information and attachments: <ul style="list-style-type: none"> ○ Budget Calendar ○ Statement of General Objective and Policies ○ Environmental Statement ○ Assumptions ○ Operating Policy Decisions ○ Projection Package ○ Forms and Instructions
Office of the Department Manager Secretary	3	Receives copies of the memorandum and budget preparation guidelines. Records same in the logbook and forwards them to the Department Manager
Department Manager	4	Reviews the documents, initials in the memorandum if in order. If not, makes corrections. Forwards the documents to the Assistant Director for Administrative Services.
Assistant Director for Administrative Services	5	Receives copies of the memorandum and budget preparation guidelines. Reviews and initials in the memorandum. Forwards the documents to the Director.

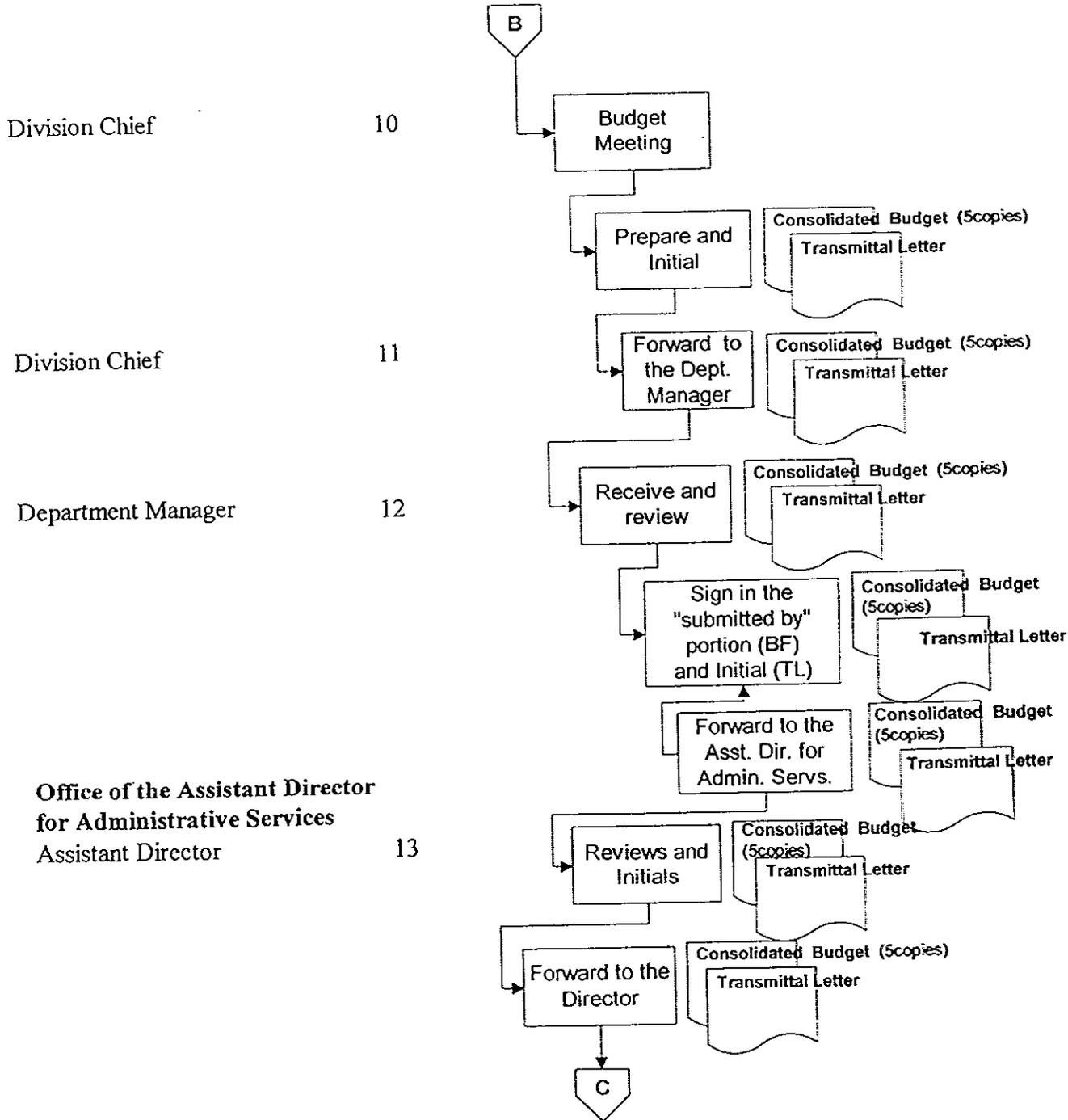
Responsibility Area	Seq. No.	Activity
Office of the Director		
Private Secretary	6	Receives copies of the documents and records same in the logbook. Forwards them to the Director.
Director	7	Reviews and signs the memorandum. Forwards the documents to Private Secretary for recording in the logbook.
Private Secretary	8	Records release of documents in the logbook and forwards the documents to Budget Division.
Finance Department/ Budget Division/ Budget Clerk		
	9	Receives copies of the memorandum and budget preparation guidelines. Records the documents in the logbook. Photocopy the documents and forwards to the different departments.
		Note:
		After the distribution of the budget preparation guidelines, in accordance with the budget calendar, budget meetings shall be conducted to:
		<ul style="list-style-type: none"> o Translate the hospital's environmental statement, assumptions and operating policies and objectives decisions into projects and activities at the department level. o Determine priority programs, projects and activities.
Division Chief	10	Based on the results of budget meetings, prepares consolidated budget of the hospital. Prepares transmittal letter. Initials in the "Submitted by" portion of the budget forms and initials in the transmittal letter.

Responsibility Area	Seq. No.	Activity
		Note:
		The consolidated budget shall be prepared in five (5) copies.
Division Chief	11	Forwards the documents to the Department Manager for review.
Department Manager	12	Receives and reviews the documents. Signs in the Submitted by portion of the budget forms and initials in the transmittal letter. Forwards the documents to the Assistant Director for Administrative Service for review.
Office of the Assistant Director for Administrative Services/ Assistant Director	13	Reviews the documents and initials in the "Approved by" portion of the budget forms. Forward the documents to the Director.
Office of the Director Private Secretary	14	Receives copies of the documents and records them in the logbook. Forwards the documents to the Director.
Director	15	Reviews and signs the transmittal letter and the "Approve by" portion of the budget forms. Forwards the documents to Private Secretary for recording in the logbook.
Private Secretary	16	Records release of documents in the logbook Distributes the documents as follows: Copy 1 – Board of Directors Copy 2 – File Copy Copy 3 – Assistant Director for Administrative Services Copy 4 - Manager Finance Department Copy 5 – Budget Officer



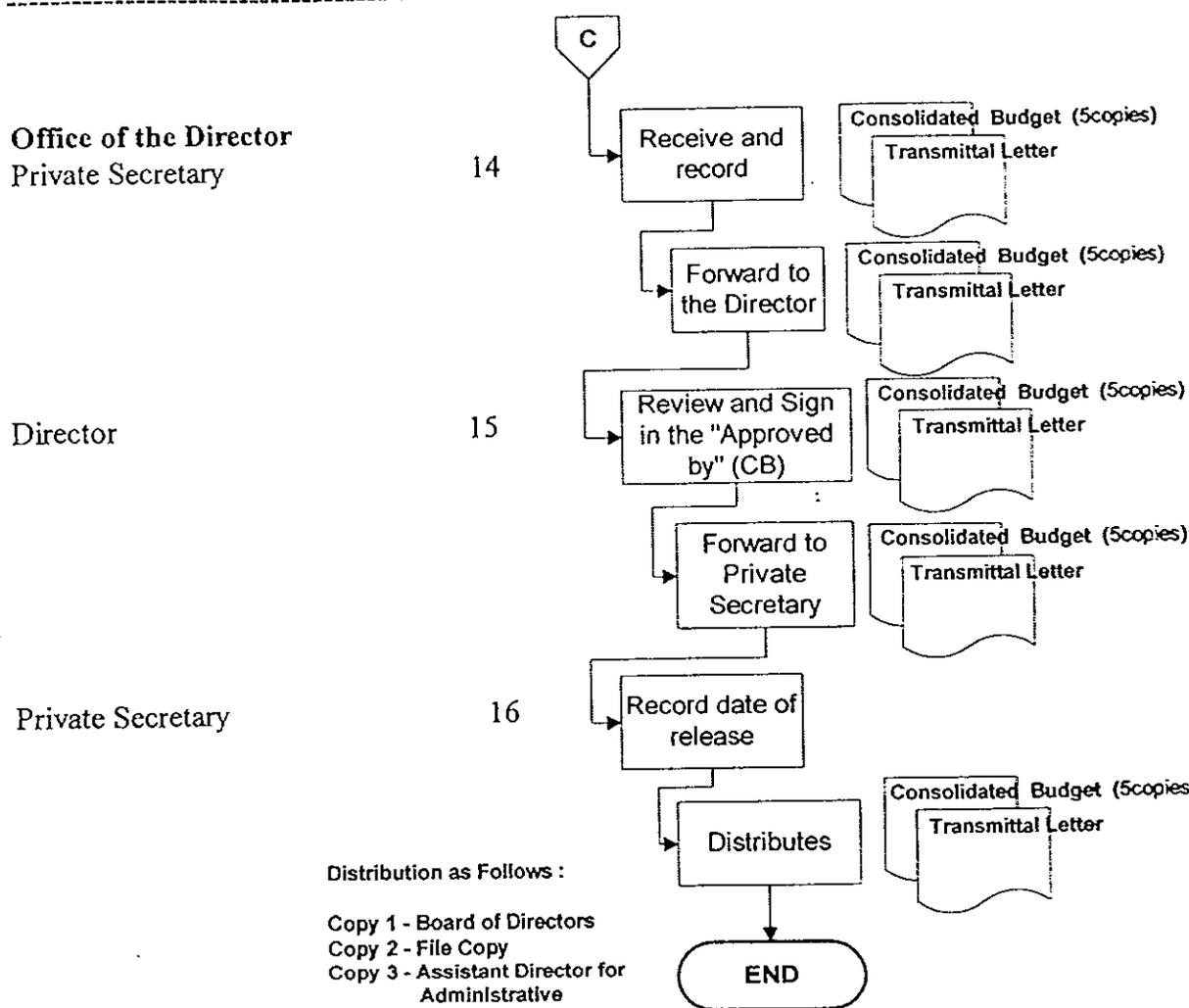


Responsibility Area	Seq. No.	Flowchart
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144

Responsibility Area	Seq. No.	Flowchart
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- Distribution as Follows :
- Copy 1 - Board of Directors
 - Copy 2 - File Copy
 - Copy 3 - Assistant Director for Administrative Services
 - Copy 4 - Manager Finance Department
 - Copy 5 - Budget Officer

II. BILLING SYSTEM

SYSTEM NAME: **BILLING SYSTEM**
 FUNCTION NAME: **PREPARATION & UPDATING OF PRELIMINARY PATIENT STATEMENT OF ACCOUNT.**

Responsibility Area			Seq. No.	Activity
Patient Division/Discharge Section	Business Admitting & Discharge Section	Service &	1	Prepares Report of Daily Admission. Forwards the report to Billing Section.
Admitting Clerk				<p>Note:</p> <p>For company sponsored patients and patients of Health Maintenance Organization (HMOs) a guaranty letter or letter of authorization shall be required.</p> <p>For indigent patient, the Medical Social Service Division shall provide Billing Section Referral Slip for each patient. The Referral Slip shall contain the following information.</p> <ol style="list-style-type: none"> 1. Date 2. Patient Name 3. Attending Physician 4. Patient's Category 5. Classification <p>The referral slip shall be approved by the Chief, MSSD and signed by the patient signifying conformity with the classification set by the Medical Social Worker.</p>
Accounting Division/ Billing Section			2	Based on the notification received from the Admitting & Discharge Section, prepares preliminary Patient Statement of Account (PPSA).
Billing Clerk				

Responsibility Area	Seq. No.	Activity
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Note:

The following information shall be indicated in the PPSA:

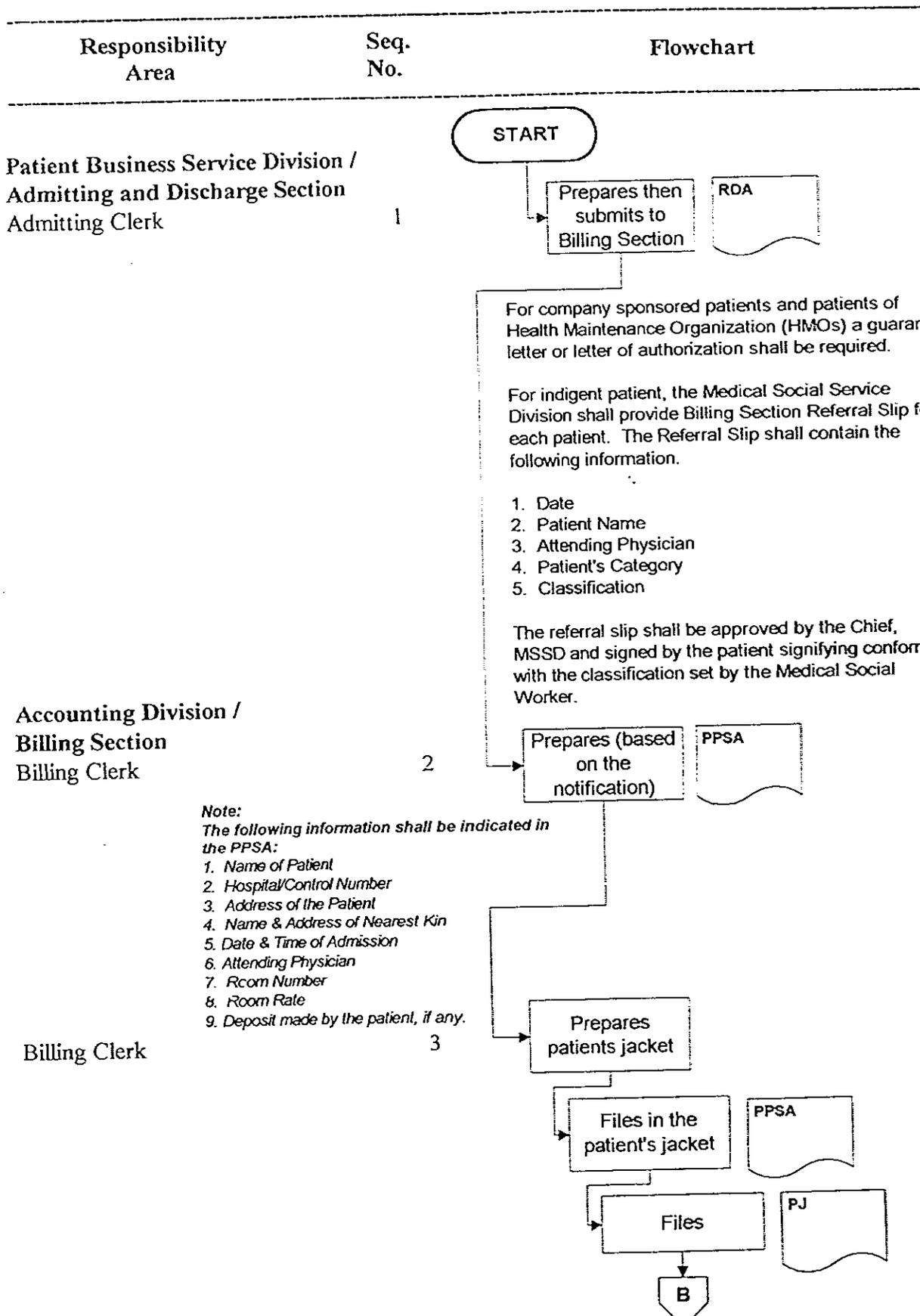
1. Name of Patient
2. Hospital/Control Number
3. Address of the Patient
4. Name & Address of Nearest Kin
5. Date & Time of Admission
6. Attending Physician
7. Room Number
8. Room Rate
9. Deposit made by the patient, if any.

Billing Clerk	3	Prepares patient's jacket indicating name of patient and room/bed number. Files PPSA in the patient's jacket. Files patient's jacket temporarily.
Concerned Department/ Concerned Revenue Center Clerk	4	Prepares Charge Slips (CS) in four (4) copies for services performed, supplies and medicines issued.
	5	Submits copies 1-3 of CS to Billing Section. Files copy 4 of CS.
Accounting Division/ Billing Section Billing Clerk	6	Receives copies 1-3 of CS. Updates PPSA. Forwards a copy of PPSA to Credit and Collection Section (CCS).

Note:

If patient's accumulated bill is beyond the credit limit set by the hospital additional deposit shall be required/collected by the CCS

Responsibility Area	Seq. No.	Activity
Billing Clerk	7	Retrieves patient jacket, files PPSA and CS in the patient jacket. File patient's jacket temporarily.



Responsibility Area	Seq. No.	Flowchart
Concerned Department / Concerned Revenue Center Clerk	4	<pre> graph TD B{B} --> S4[Prepare (for services, medicine, supplies)] S4 --- CS4[CS (4 copies)] </pre>
	5	<pre> graph TD S4 --> S5[Submit to Billing Section] S5 --- CS13[CS (copies 1-3)] S5 --> S6[File] S6 --- CS4[CS (copy 4)] </pre>
Accounting Division / Billing Section Billing Clerk	6	<pre> graph TD S5 --> S6[Receive] S6 --- CS13[CS (copies 1-3)] S6 --> S7[Update] S7 --- PPSA1[PPSA] S7 --> S8[Forward to Credit and Collection] S8 --- PPSA2[PPSA] </pre>
Billing Clerk	7	<p data-bbox="959 1276 1020 1308"><i>Note:</i></p> <p data-bbox="959 1329 1389 1444"><i>If patient's accumulated bill is beyond the credit limit set by the hospital additional deposit shall be required/ collected by the CCS</i></p> <pre> graph TD S8 --> S7[Retrieve] S7 --- PJ1[PJ] S7 --> S9[File in the patient jacket] S9 --- PPSA3[PPSA] S9 --- CS2[CS] S9 --> S10[File] S10 --- PJ2[PJ] S10 --> END([END]) </pre>

SYSTEM NAME: BILLING SYSTEM
 FUNCTION NAME: PREPARATION OF FINAL PATIENT STATEMENT OF
 ACCOUNT

Responsibility Area	Seq. No.	Activity
Nursing Department/ Clinical Care Division Nurse	1	Prepares Notice of Discharge and forwards the same to the Billing Section. Notes: The Nurse shall notify the attending physician of the discharge. For pay patients, the attending physician shall submit Statement of Professional Fee. If no professional fees shall be charged, he shall submit the Sworn Declaration form to the Billing Section.
Accounting Division/ Billing Section Billing Clerk	2	Receives copy of Notice of Discharge and Statement of Professional Fee or Sworn Declaration. Forwards the Notice of Discharge to the Billing Aide for preparation of clearance. Updates PPSA.
Billing Aide	3	Prepares Billing Clearance Slip. Indicates date of discharge, name and room number of patient. Forwards the Clearance Slip to the different revenue centers. Collects additional Charge Slips (CS). Note: The Concerned Employee of the Revenue Center shall sign the Clearance Slip if all charges have been submitted to the Billing Section.

Responsibility Area	Seq. No.	Activity
Billing Aide	4	Forwards the Billing Clearance Slip and additional CS to the Billing Clerk.
Billing Clerk	5	Receives copy of Billing Clearance Slip and CS. Updates the patient bill and prepares in four (4) copies Final Patient Statement of Account (FPSA). Signs "Prepared by" portion of the FPSA.
		Notes:
		PhilHealth benefits and applicable discounts shall be deducted from the patient bill.
		For Medicare deduction, the FPSA shall be supported by duly filled-up PhilHealth Forms 1& 2. Patient or patient relative shall also be asked to sign a form of undertaking for any claim disallowed or disapproved by PhilHealth.
		For indigent patient who were admitted without the Referral Slip issued by MSSD, copy of the PPSA shall be forwarded to the MSSD for assessment. After the evaluation, the Social Worker shall issue Notice of Counterpart which shall serve as the basis of the Quantified Free Service (QFS) deduction in the FPSA.
	6	Forwards the FPSA, CS and other documents to the Billing Supervisor for review.
Billing Supervisor	7	Receives copies 1-4 of FPSA, CS and other documents from Billing Clerk. Reviews the FPSA and signs "Certified Correct" portion of the FPSA. Forwards FPSA, CS and other documents to Cash Section.

Responsibility Area	Seq. No.	Activity
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Note:

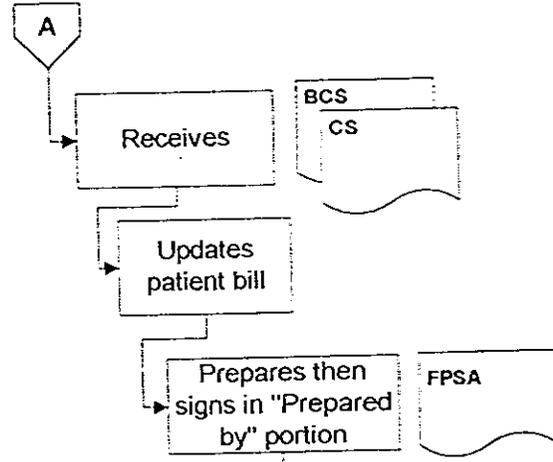
For patients' account chargeable against sponsoring companies, HMOs, congressional initiative and other trust funds, the FPSA shall be forwarded to the Credit and Collection Section for verification and action.

Responsibility Area	Seq. No.	Flowchart
Nursing Department / Clinical Care Division Nurse	1	<p>START</p> <p>Prepares then forwards to Billing Section NoD</p>
Accounting Division / Billing Section Billing Clerk	2	<p>Notes:</p> <p>The Nurse shall notify the attending physician of the discharge.</p> <p>For pay patients, the attending physician shall submit Statement of Professional Fee. If no professional fees shall be charged, he shall submit the Sworn Declaration form to the Billing Section.</p> <p>Receives NoD SPF</p> <p>Forwards to the Billing Aide NoD</p> <p>Updates PPSA</p>
Billing Aide	3	<p>Prepares BCS</p> <p>Forwards to different revenue centers BCS</p> <p>Collects CS</p>
Billing Aide	4	<p>Note:</p> <p>The Concerned Employee of the Revenue Center shall sign the Clearance Slip if all charges have been submitted to the Billing Section.</p> <p>Forwards to Billing Clerk BCS CS</p> <p>A</p>

Responsibility Area	Seq. No.	Flowchart
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Billing Clerk

5



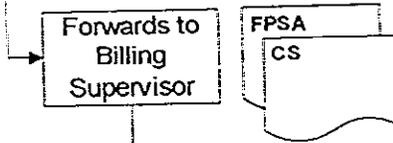
Notes:

PhilHealth benefits and applicable discounts shall be deducted from the patient bill.

For Medicare deduction, the FPSA shall be supported by duly filled-up PhilHealth Forms 1& 2. Patient or patient relative shall also be asked to sign a form of undertaking for any claim disallowed or disapproved by PhilHealth.

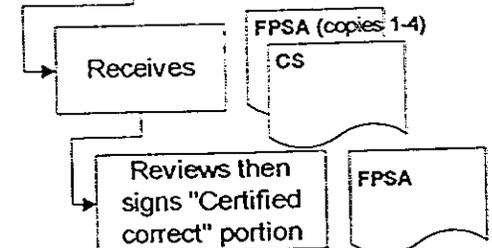
For indigent patient who were admitted without the Referral Slip issued by MSSD, copy of the PPSA shall be forwarded to the MSSD for assessment. After the evaluation, the Social Worker shall issue Notice of Counterpart which shall serve as the basis of the Quantified Free Service (QFS) deduction in the FPSA.

6



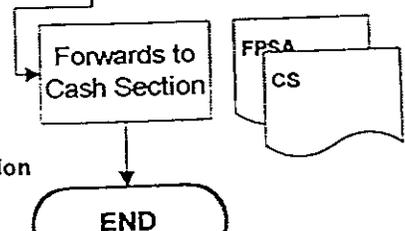
Billing Supervisor

7



Note:

For patients' account chargeable against sponsoring companies, HMOs, congressional initiative and other trust funds, the FPSA shall be forwarded to the Credit and Collection Section for verification and action.



SYSTEM NAME: BILLING SYSTEM
 FUNCTION NAME: RECORDING OF ACCOUNTS RECEIVABLES IN THE BOOK
 OF ACCOUNTS.

Responsibility Area	Seq. No.	Activity
Accounting Division/ Billing Section		<u>Weekly</u>
Data Machine Operator III	1	Retrieves copy of Final Patient Statement of Account (FPSA). Access the Billing Information System and prepares the Report of Bills Rendered (RBR) in three copies. Signs in the "Prepared by" portion of the RBR. Forwards copies of RBR, Final Patient Statement of Account and supporting documents to the Section Chief for review. Files copy 3 of the RBR.

Notes:

The following information shall be contained in the RBR:

- Name of Patient
- Bill Number and Date
- Income Credited
- Discount Debited
- Quantified Free Service Debited
- Medicare Debited
- Deposit Debited
- Accounts Receivable Debited

The system shall also generate the following summary reports:

- List of Philhealth Claim
- Various List of Patient Bills charged against:
 - Health Maintenance Organization (HMO)
 - Trust funds
 - Companies with Memorandum of Agreement with the Hospital.

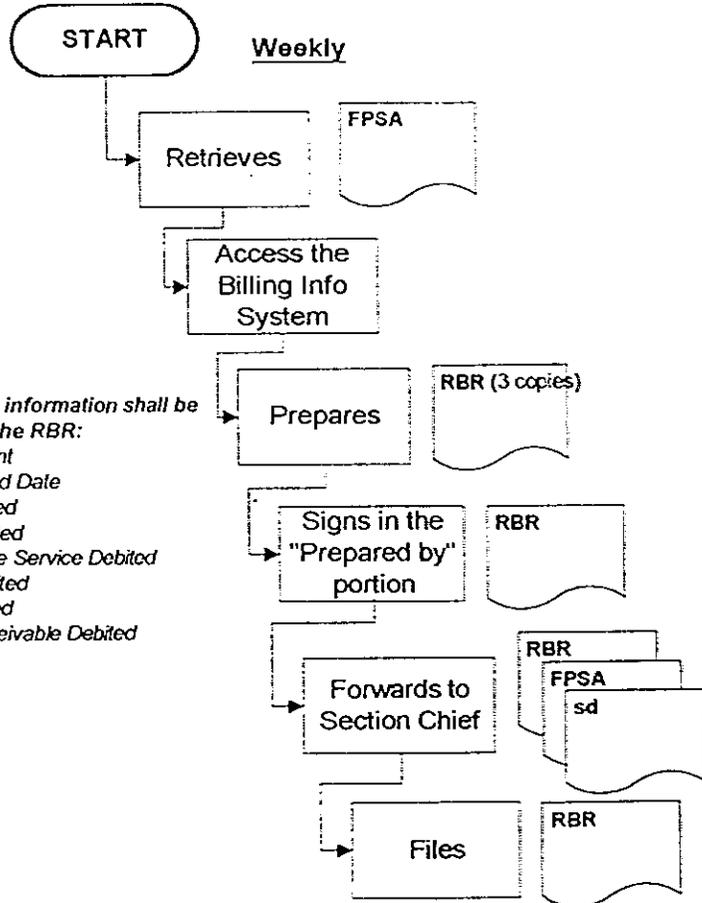
Responsibility Area	Seq. No.	Activity
Section Chief	2	Reviews the RBR and signs the "Certified Correct" portion of the RBR. Forwards copies 1-2 of RBR, FPSA and supporting documents to General Accounting Section for recording.
General Accounting Section Bookkeeper	3	Receives copies 1-2 of the RBR, copy of the FPSA and supporting documents from the Billing Section. Retrieves Journal of Bills Rendered (JBR) and based on the RBR records the charges made in the JBR. Files JBR temporarily.
	4	Retrieves Accounts Receivable ledger and records charges made in the proper columns of the ledger. Files subsidiary ledger temporarily.
	<p>Note:</p> <p>The Accounts Receivable ledger shall contain the following information:</p> <ul style="list-style-type: none"> o Name and Address of Patient o Date, Number and Amount of Bill o Date, Number and Amount of Payment o Balance due 	
	5	Retrieves Patients' Deposit ledger and records charges made in the proper columns of the ledger. Files subsidiary ledger temporarily
	<u>At the end of the month.</u>	
	6	Totals and rules the JBR. Prepares recapitulation entry and forwards the same to the Chief Accountant for certification.

Responsibility Area	Seq. No.	Activity
Chief Accountant	7	Reviews the JBR and certifies. Forwards the JBR to Accountant III for posting to the General Ledger (GL).
Accountant III	8	Post the column totals of the JBR to the GL. Files the GL for reference. Forwards the JBR to Bookkeeper for temporary filing.

Responsibility Area	Seq. No.	Flowchart
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Accounting Division/
Billing Section
Data Machine Operator III

I



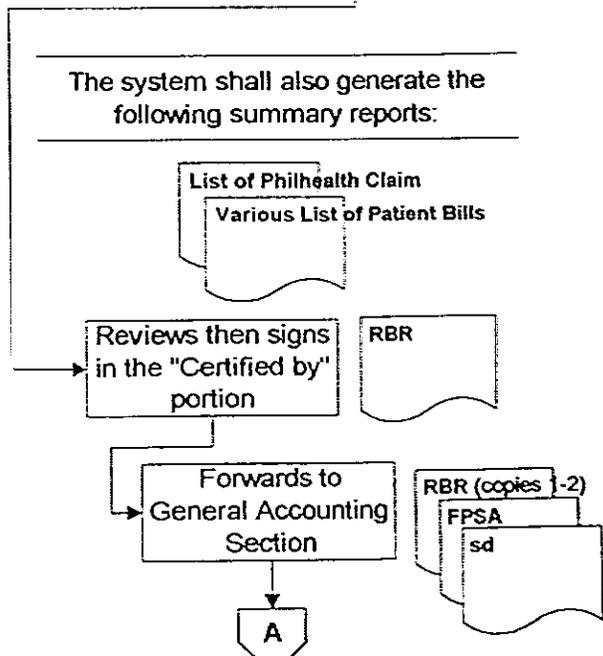
Note :
The following information shall be contained in the RBR:
Name of Patient
Bill Number and Date
Income Credited
Discount Debited
Quantified Free Service Debited
Medicare Debited
Deposit Debited
Accounts Receivable Debited

The system shall also generate the following summary reports:

List of Philhealth Claim
Various List of Patient Bills

Section Chief

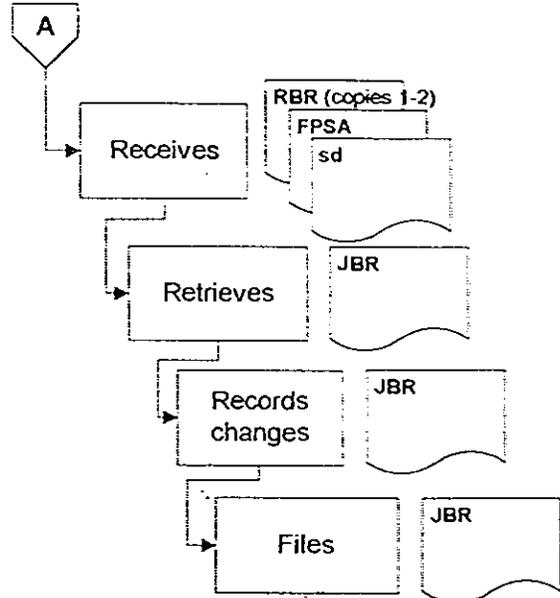
2



Responsibility Area	Seq. No.	Flowchart
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General Accounting Section
Bookkeeper

3

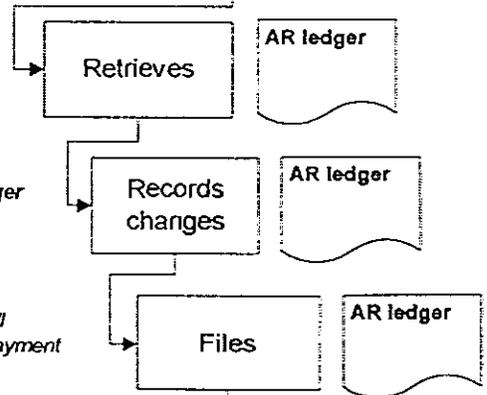


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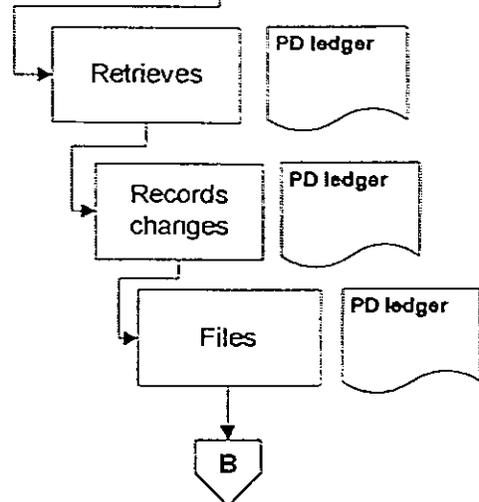
Note:

The Accounts Receivable ledger shall contain the following information:

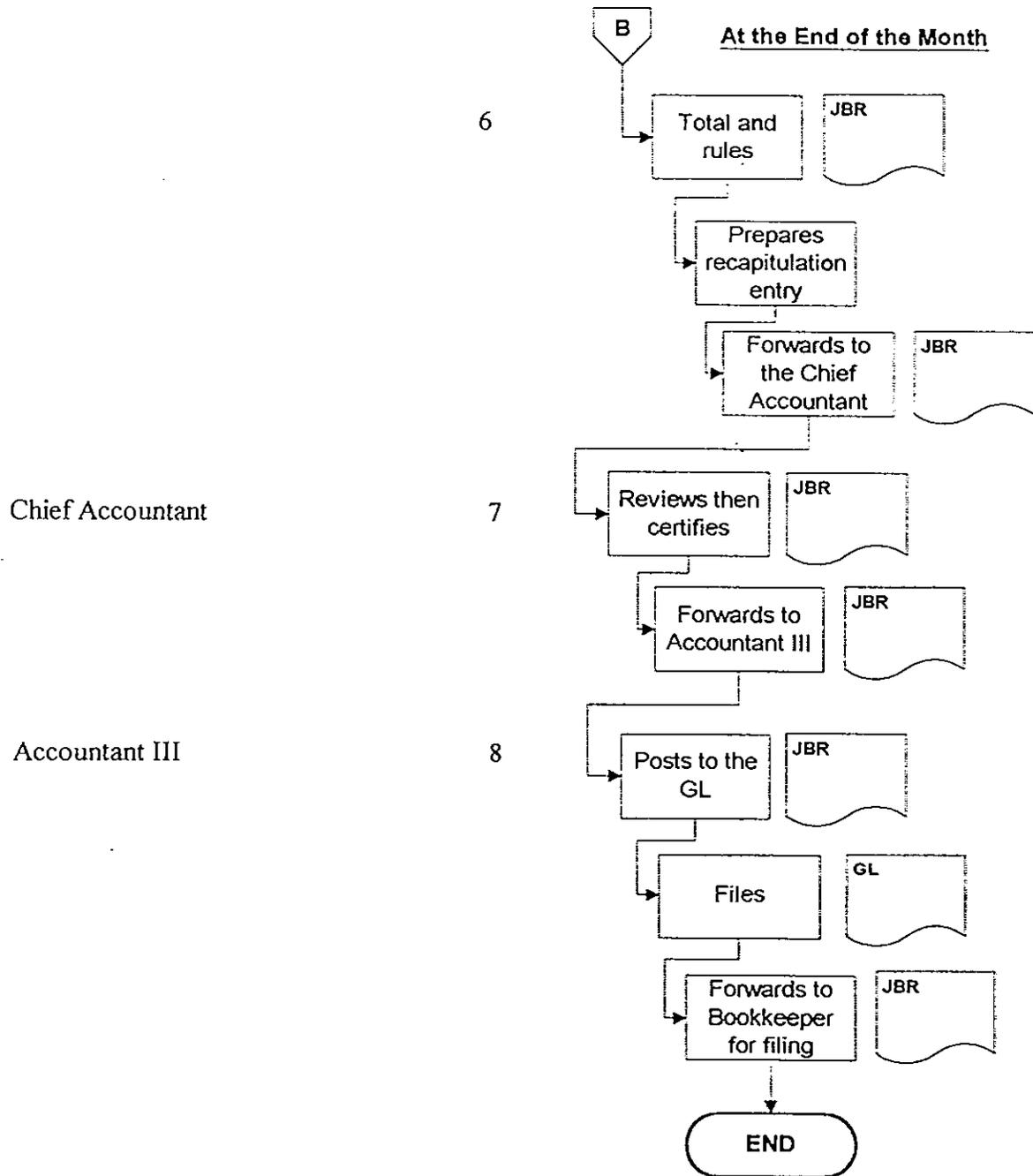
- Name and Address of Patient*
- Date, Number and Amount of Bill*
- Date, Number and Amount of Payment*
- Balance due*



5



Responsibility Area	Seq. No.	Flowchart
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SYSTEM NAME: BILLING SYSTEM
 FUNCTION NAME: GENERATION OF ACCOUNTS RECEIVABLE
 SUMMARY LIST

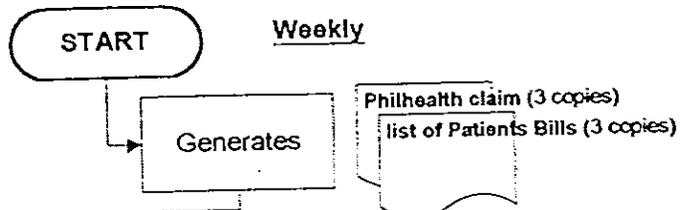
Responsibility Area	Seq. No.	Activity
Accounting Division/ Billing Section		<u>Weekly.</u>
Financial Analyst II	1	<p>Generates in three (3) copies the following:</p> <ul style="list-style-type: none"> a. List of Philhealth Claims; b. Various List of Patient Bills charged against: <ul style="list-style-type: none"> o Health Maintenance Organization (HMO) o Trust Fund o Company sponsored <p>Note :</p> <p>The Summary List shall contain the following information:</p> <ul style="list-style-type: none"> o Member Number – for PHIC and HMO o Name of Member and Patient o Confinement Period o Diagnosis o Amount
	2	Verifies the summary list against the Report of Bills Rendered. If in order, signs in the "Prepared by" portion of the summary list. Prepares and initials in the transmittal letter. Forwards the documents to the Section Chief for review.
Section Chief	3	Reviews and signs in the "Certified Correct" portion of the summary list. Initials in the transmittal letter. Forwards the documents to the Chief Accountant.

Responsibility Area	Seq. No.	Activity
Chief Accountant	4	Reviews and signs in the transmittal letter. Forwards the documents to the clerk for proper disposition.
Clerk	5	Receives copies of the summary list and transmittal letter. Records in the logbook and forwards the documents to the respective office/company.

Responsibility Area	Seq. No.	Flowchart
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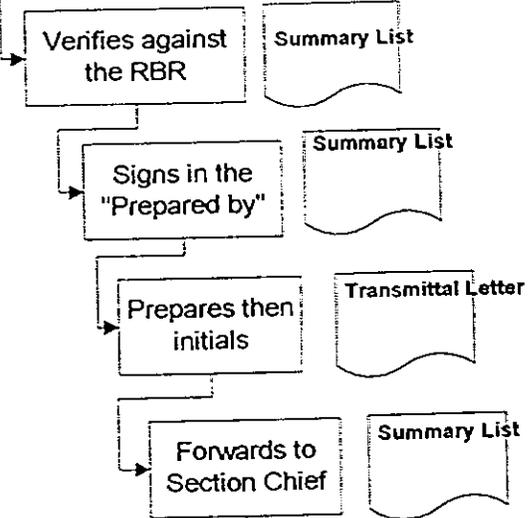
Accounting Division/
Billing Section
Financial Analyst II

1



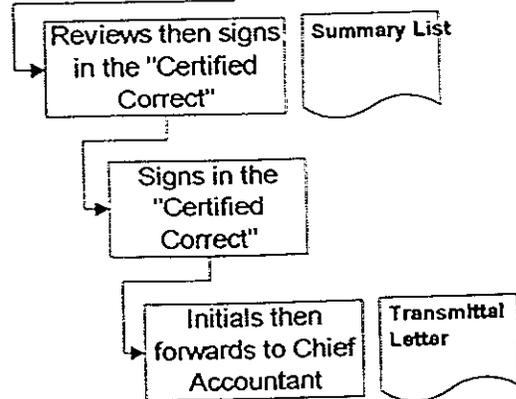
Note :
The Summary List (SL) shall contain the following information:
1. Member Number - for PHIC and HMO
2. Name of Member and Patient
3. Confinement Period
4. Diagnosis
5. Amount

2



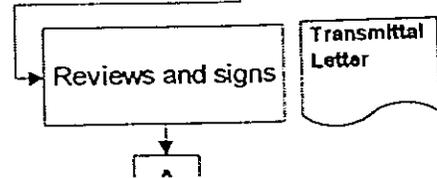
Section Chief

3



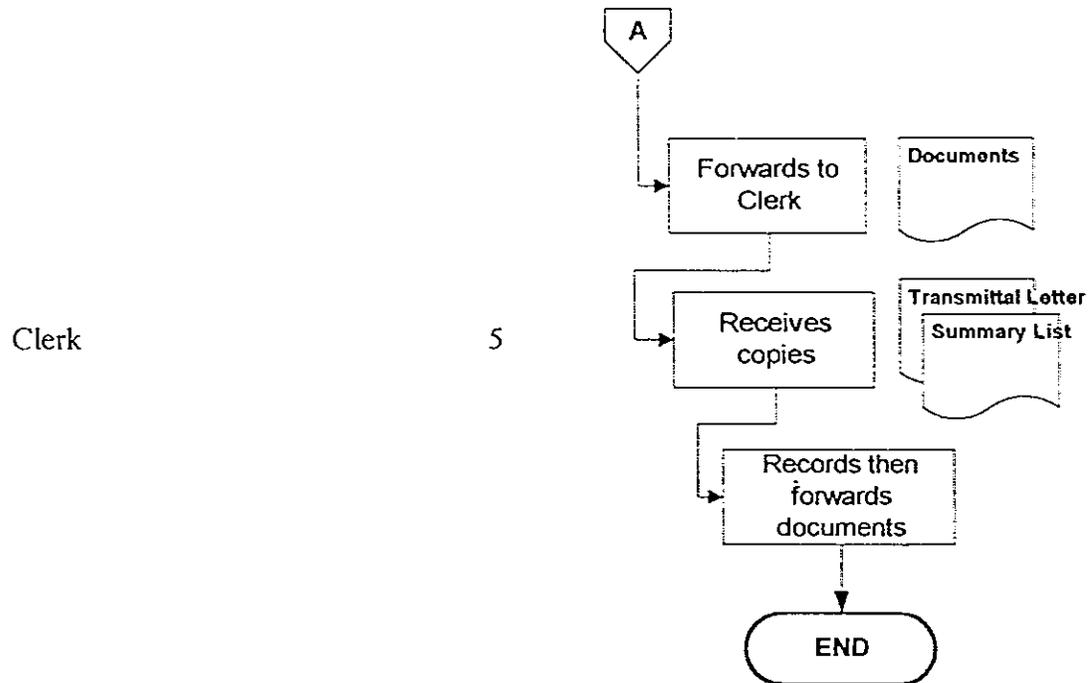
Chief Accountant

4



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Responsibility Area	Seq. No.	Flowchart
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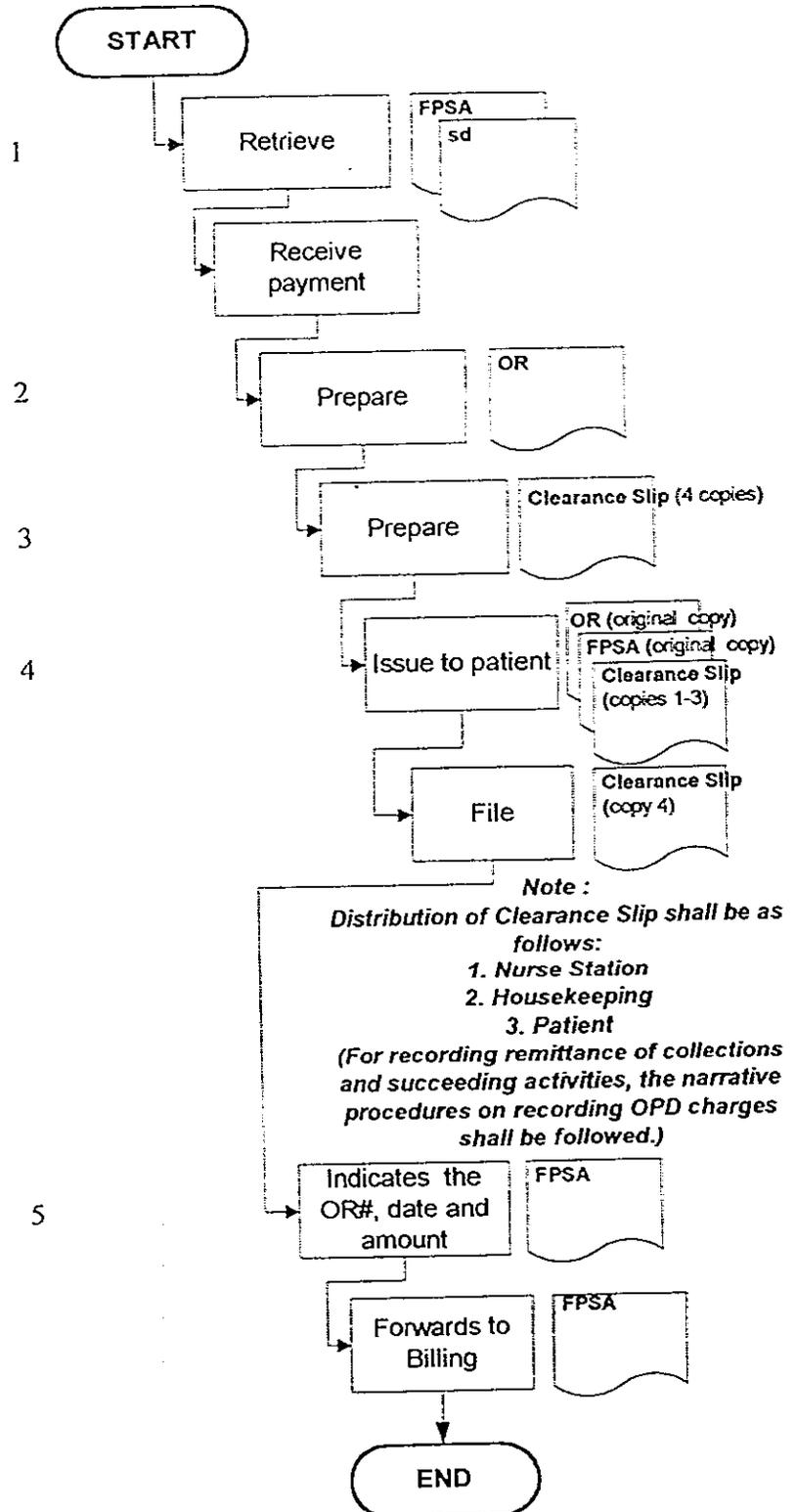
III. RECEIPTS AND COLLECTIONS SYSTEM

SYSTEM NAME: RECEIPT AND COLLECTION SYSTEM – IN-PATIENT
 FUNCTION NAME: PROCESSING AND RECORDING OF COLLECTION OF
 IN-PATIENT CHARGES

Responsibility Area	Seq. No.	Activity
Treasury Division/ Cash Section Cash Clerk	1	Retrieves copies of Final Patient Statement of Account (FPSA) and supporting documents. Receives payment from patient and/or patient relative.
	2	Based on the FPSA and the amount received, prepares Official Receipt (OR) in four copies.
	3	Prepares Clearance Slip in four (4) copies.
	4	Issues original copy of OR and FPSA together with copies 1-3 of clearance slip to patient or patient relative. Files copy 4 of clearance slip.
		Note: Distribution of Clearance Slip shall be as follows: <ol style="list-style-type: none"> 1. Nurse Station 2. Housekeeping 3. Patient (For recording remittance of collections and succeeding activities, the narrative procedures on recording OPD charges shall be followed.)
	5	Indicates in the FPSA the OR number, date and amount paid by patient. Forwards copies of FPSA to Billing Section.

Responsibility Area	Seq. No.	Flowchart
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Treasury Division/
Cash Section
Cash Clerk



SYSTEM NAME: RECEIPT AND COLLECTION SYSTEM – OUT-PATIENT
 FUNCTION NAME: PROCESSING AND RECORDING OF COLLECTION OF
 OUT-PATIENT CHARGES

Responsibility Area	Seq. No.	Activity	
Concerned Department/ Concerned Revenue Center Clerk	1	Prepares Charge Slip (CS) in four (4) copies for services to be performed and supplies and medicines to be issued. Issues copies 1-3 to patient and files copy 4.	
		Note: For indigent patients, the CS shall be forwarded by the patient to the Medical Social Service Division for assessment. The Social Worker shall compute patient counterpart which shall be the basis of payment that will be made by the patient.	
	Treasury Division/ Cash Section Cash Clerk	2	Receives three copies of Charge Slips and cash payment from patient representing payment for out-patient charges.
		3	Based on the charge slip and the amount received, prepares Official Receipt (OR) in four copies.
		4	Issues original copy of OR together with the original copy of charge slip to patient or patient relative to acknowledge receipt of payment.
	<u>At the end of the day.</u>		
	5	Summarizes ORs and prepares summary of collection and forwards cash collections with copies of ORs and charge slips to Chief Cashier.	

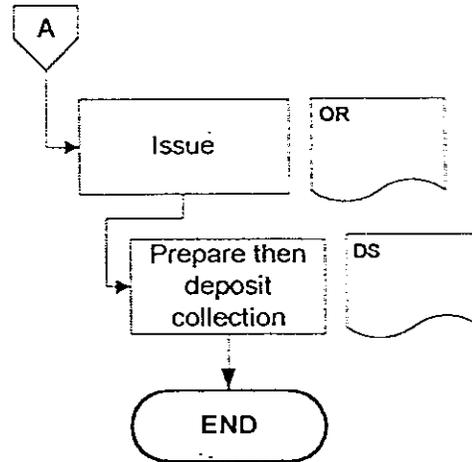
Responsibility Area	Seq. No.	Activity
Chief Cashier	6	Acknowledges receipt of cash collections and issues OR to acknowledge remittance of collections from collecting officers.
	7	Prepares Deposit Slips (DS) and deposits the collection to Accredited Depository Bank (ADB) on the first working hour of the following day.

Responsibility Area	Seq. No.	Flowchart
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Chief Cashier

6

7

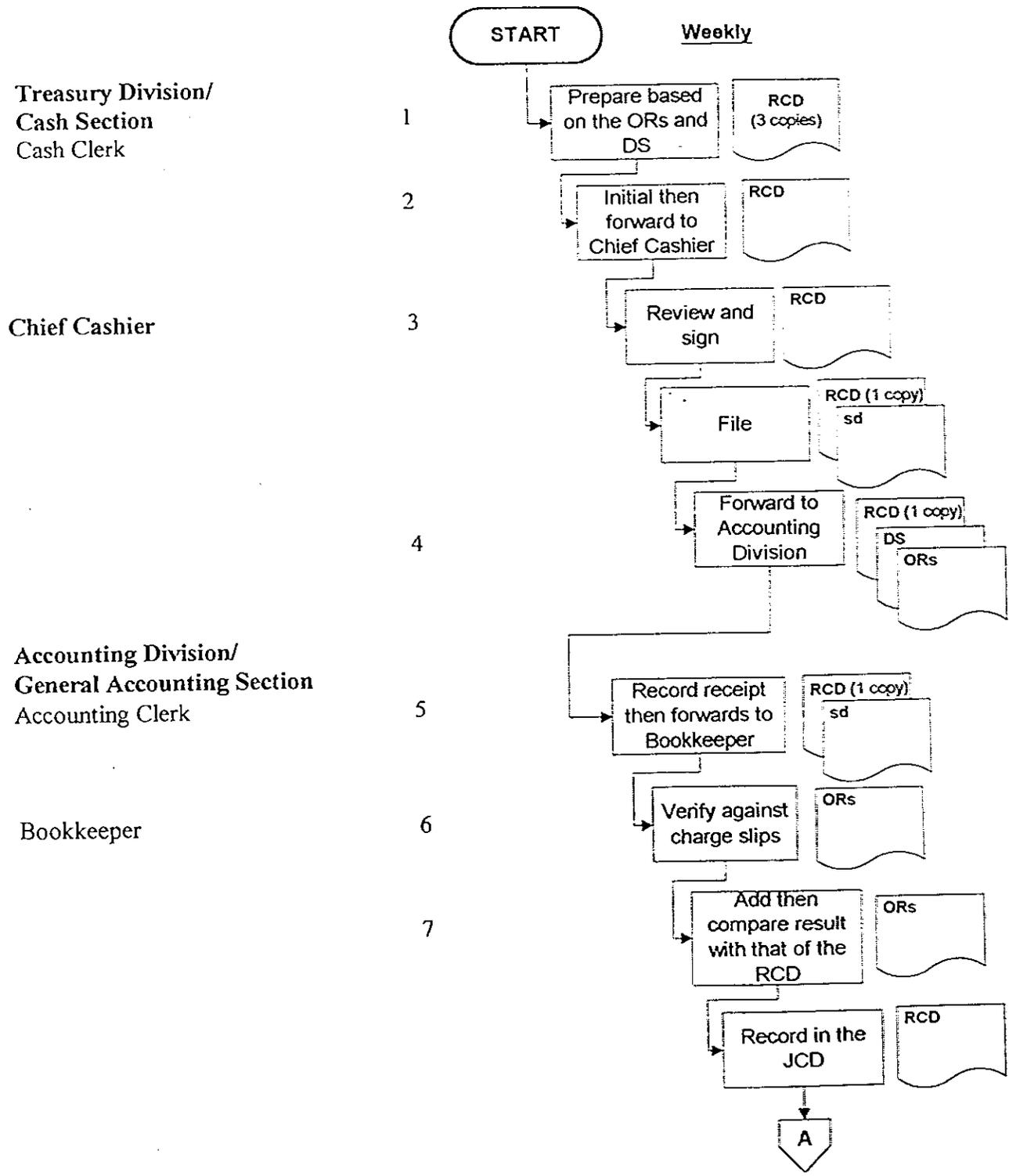


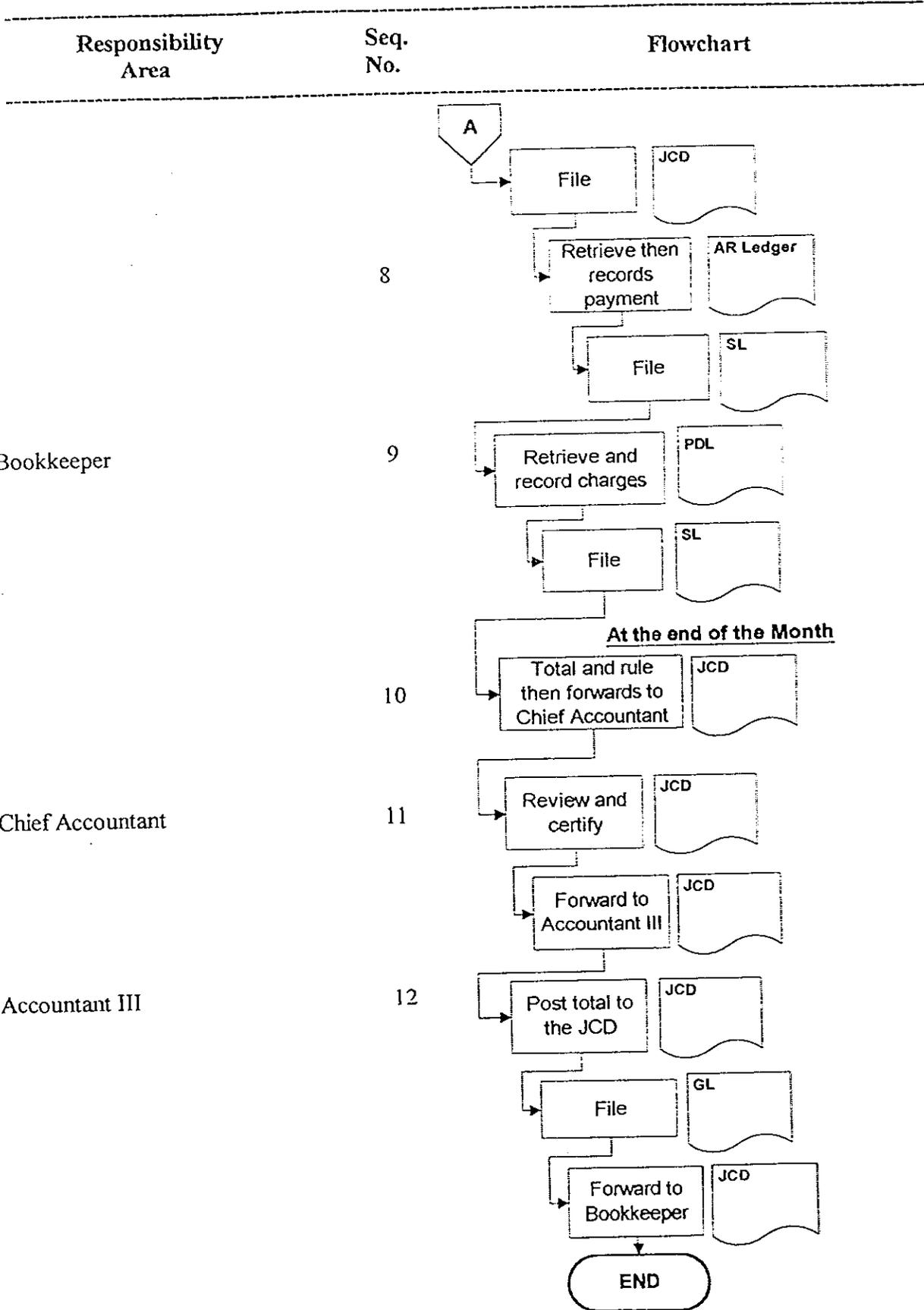
SYSTEM NAME: RECEIPT AND COLLECTION SYSTEM –
 FUNCTION NAME: RECORDING OF COLLECTIONS IN THE BOOKS

Responsibility Area	Seq. No.	Activity
Treasury Division		<u>Weekly</u>
Cash Section		
Cash Clerk	1	Prepares Report of Collection and Deposit in three copies based on the Ors issued and bank validated DS
	2	Initials the RCD and forwards the same to Chief Cashier for review and signature.
Chief Cashier	3	Reviews and signs RCD. Files one copy of RCD and supporting documents.
	4	Forwards a copy of RCD, validated DS and Ors to Accounting Division for processing and recording.
Accounting Division/ General Accounting Section		
Accounting Clerk	5	Records in the logbook the receipt of RCD and the supporting documents. Forwards these to Bookkeeper.
Bookkeeper	6	Verifies individually the Ors against charge slips. If there are missing documents, informs the Cash Section for verification of documents.
	7	Adds individually the Ors and compares result with the total per RCD. Records RCD in the Journal of Collection and Deposits (JCD). Files temporarily the JCD.
	8	Retrieves Accounts Receivable ledger and records charges made in the proper columns of the ledger. Files subsidiary ledger temporarily.

Responsibility Area	Seq. No.	Activity
Bookkeeper	9	Retrieves Patients' Deposit ledger and records charges made in the proper columns of the ledger. Files subsidiary ledger temporarily.
		<u>At the end of the month</u>
	10	Totals and rules the JCD. Prepares recapitulation entry and forwards the same to the Chief Accountant for certification.
Chief Accountant	11	Reviews the JCD and certifies. Forwards the JBR to Accountant III for posting to the General Ledger (GL).
Accountant III	12	Post the column totals of the JCD to the GL. Files the GL for reference. Forwards the JCD to Bookkeeper for temporary filing..

Responsibility Area	Seq. No.	Flowchart
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SYSTEM NAME: RECEIPT AND COLLECTION SYSTEM – OTHER RECEIPTS
 FUNCTION NAME: PROCESSING AND RECORDING OF SUBSIDIES

Responsibility Area	Seq. No.	Activity
Budget Division Budget Officer I	1	Receives copy of Notice of Cash Allocation (NCA) from the Department of Budget and Management (DBM).
	2	Records receipt in the Logbook.
	3	Reproduces and forwards the original copy of NCA to the Cahier for claiming of check from the Bureau of the Treasury (BTr).
Treasury Division/ Cash Section Chief Cashier	4	Upon receipt of the check from the BTr, issues official receipt (OR) to the BTr to acknowledge the receipt of the check.
	5	Prepares deposit slip (DS) and deposits the check to Accredited Depository Bank.
		(For recording of subsidies from the National Government, the narrative procedures on recording OPD charges shall be followed.)

Responsibility Area	Seq. No.	Flowchart
Budget Division Budget Officer I	1	START
	2	Receive from DBM
	3	Record receipt
Treasury Division/ Cash Section Chief Cashier	3	Reproduce and forward to BTr
	4	Issue to BTr
	5	Prepare
		Deposit to depository bank
		END

SYSTEM NAME: RECEIPT AND COLLECTION SYSTEM – OTHER RECEIPTS
 FUNCTION NAME: PROCESSING AND RECORDING OF RECEIPT OF
 DONATIONS, GRANTS, AIDS, ETC.

Responsibility Area	Seq. No.	Activity
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Treasury Division/
 Cash Section
 Chief Cashier

1 Receives from Donor/Grantor the following:

- a. Check/Cash representing donation.
- b. Donation/grant documents

2 Issues official receipt (OR) to acknowledge receipt of donations/grants and aids.

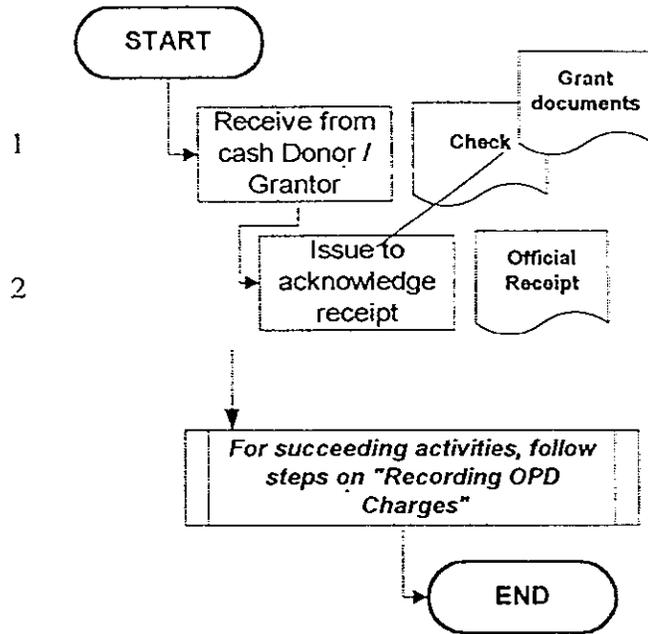
Note:

All collections received during the day including those of donations and grants shall be deposited on the first working hour of the following day.

(For recording donations, grants and aids, the narrative procedures on recording OPD charges shall be followed.)

Responsibility Area	Seq. No.	Flowchart
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Treasury Division/
Cash Section
Chief Cashier



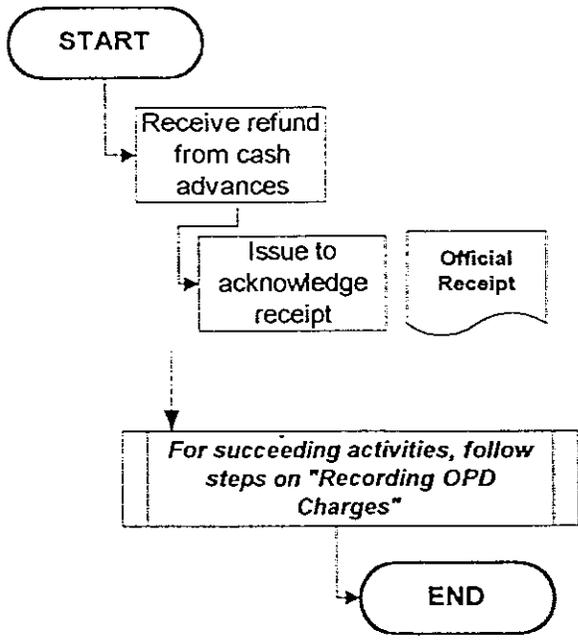
SYSTEM NAME: RECEIPT AND COLLECTION SYSTEM – OTHER RECEIPTS
 FUNCTION NAME: PROCESSING AND RECORDING OF REFUND OF CASH
 ADVANCES, EXPENSES AND OTHER RECEIPTS.

Responsibility Area	Seq. No.	Activity
Treasury Division/ Cash Section Cash Clerk	1	Receives from various sources cash representing refund of cash advances arising from: <ul style="list-style-type: none"> a. Travelling expenses b. Petty cash c. Others
	2	Issues official receipt (OR) to acknowledge receipt of refund. (For succeeding activities, the narrative procedures on recording OPD charges shall be followed.)

Responsibility Area	Seq. No.	Flowchart
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Treasury Division/
Cash Section
Chief Cashier

1
2



IV. EXPENDITURE SYSTEM

SYSTEM NAME: EXPENDITURE SYSTEM - OPERATIONAL
 FUNCTION NAME: PROCESSING AND APPROVAL OF ACCOUNTS PAYABLE
 VOUCHER FOR PURCHASE AND JOB ORDERS

Responsibility Area	Seq. No.	Activity
Budget Division Budget Officer I	1	Receives copies of Purchase Order, Certificate of Acceptance and other supporting documents from Property Division. Records receipt in the Logbook.
	2	Reviews the amount to be obligated as well as the supporting documents. If found in order, prepares Accounts Payable Voucher in three copies. Assigns APV Number based on the last number appearing in the Accounts Payable Voucher Control Book.
		Note: The number structure for Accounts Payable Voucher shall be as follows:
		<p>00-000-00-00-00</p> <p>Year Chronological No. Month Fund Expense Class</p>
	3	Fill-up Section A of the APV form.
		<p>Payee Date Brief description of the obligation Expense Code Amount</p>
	4	Attaches the Accounts Payable Voucher to the Purchase/Job Order and forwards documents to the Budget Officer II for processing.

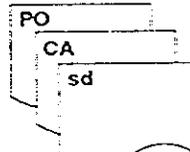
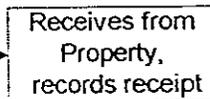
Responsibility Area	Seq. No.	Activity
Budget Officer II	5	Receives copies of the APV and supporting documents from Budget Officer I. Reviews APV and supporting documents and approves them.
	6	Retrieves APV control book, records APV date and number, classification and code and amount. Retains copy 3 of APV for file. Forwards the documents to the Accounting Division for funds availability approval.
Operation Accounting Section Accounting Clerk	7	Receives copies of APV and supporting documents from Budget Division. Checks if supporting documents are complete. Records receipt in the logbook. Forwards the documents to Accountant III for processing.
Accountant III	8	Receives copies of APV and supporting documents. Reviews the request for funding. If found in order, fills up Section B of the APV Form.
		Amount Approved Date Approved
	9	Affixes initials in the APV and Purchase/Job Order. Forwards the documents to the Chief Accountant for approval.
Chief Accountant	10	Receives copies of the documents. Reviews the request and if found in order, signs the APV and Purchase/Job Order. Forwards the document to the Accounting Clerk for proper disposition.

Responsibility Area	Seq. No.	Activity
Accounting Clerk	11	Records in the logbook the date when the APV, Purchase/Job Order shall be released, retains copy 2 of the APV for submission to the Bookkeeper for recording of payables in the books of accounts. (Refer to the Narrative Procedures on Recording of Payables in the Books of Accounts) Forwards copies of APV and supporting documents to Property Division.

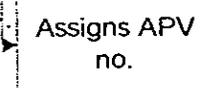
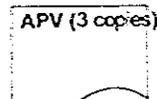
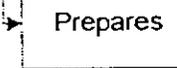
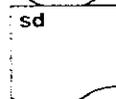
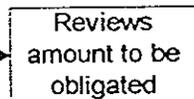
Responsibility Area	Seq. No.	Flowchart
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Budget Division
Budget Officer I

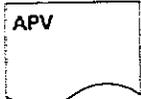
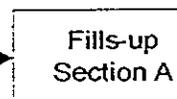
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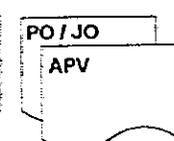
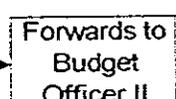
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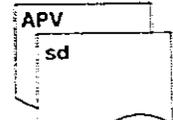
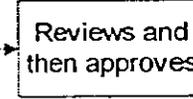
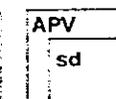
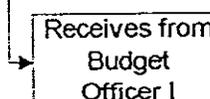


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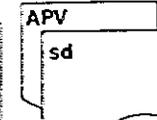
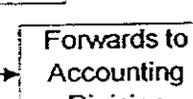
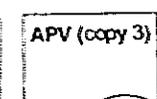
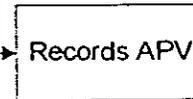


Budget Division
Budget Officer II

5



6

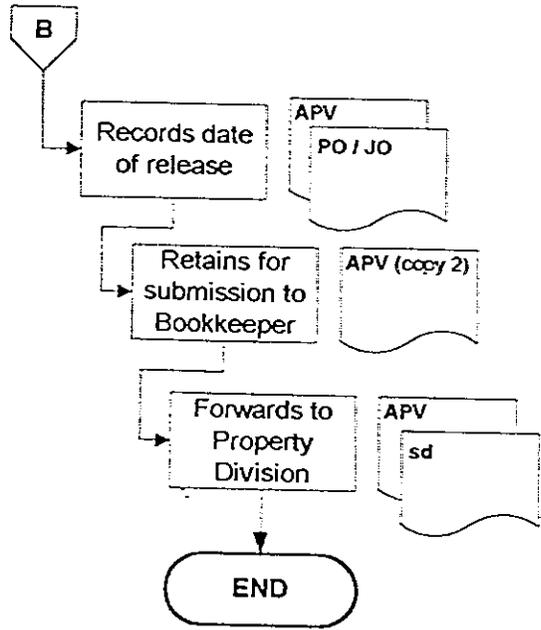


Responsibility Area	Seq. No.	Flowchart
Operation Accounting Section Accounting Clerk	7	<pre> graph TD A{{A}} --> R1[Receive from Budget] R1 --> R2[Record receipt] R2 --> R3[Forward to Accountant III] </pre>
Accountant III	8	<pre> graph TD R1[Receive] --> R2[Review request] R2 --> R3[Fill-up Section B] </pre>
Chief Accountant	10	<pre> graph TD R1[Affixe initial] --> R2[Forwards to Chief Accountant] R2 --> R3[Receives] R3 --> R4[Reviews request] R4 --> R5[Signs then forwards to Accounting Clerk] </pre>

Responsibility Area	Seq. No.	Flowchart
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Accountant Clerk

11

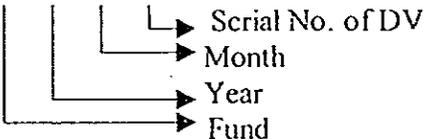


SYSTEM NAME: EXPENDITURE SYSTEM - OPERATIONAL
 FUNCTION NAME: PROCESSING AND APPROVAL OF DISBURSEMENT
 VOUCHER FOR PURCHASE AND JOB ORDERS.

Responsibility Area	Seq. No.	Activity
Budget Division Budget Officer I	1	Receives copy 1-3 of Disbursement Voucher (DV) and supporting documents from Purchasing Division. Records receipt in the logbook. Forwards the documents to the Budget Officer II.
Budget Officer II	2	Receives copies of DV and supporting documents. Retrieves APV Control Book, checks if there are changes in the amount obligated. If there are changes, record adjustment in the control book. Forwards the document to Budget Officer I for proper disposition.
Budget Officer I	3	Records in the logbook the date when the DV and supporting documents shall be released. Forwards the documents to the General Accounting Section.
Operations Accounting Section Accounting Clerk	4	Receives copy 1-3 of Disbursement Voucher (DV) and supporting documents from Budget Division. Retrieves DV Control Book (DVCB) assigns DV number based on the last number appearing in the DVCB.

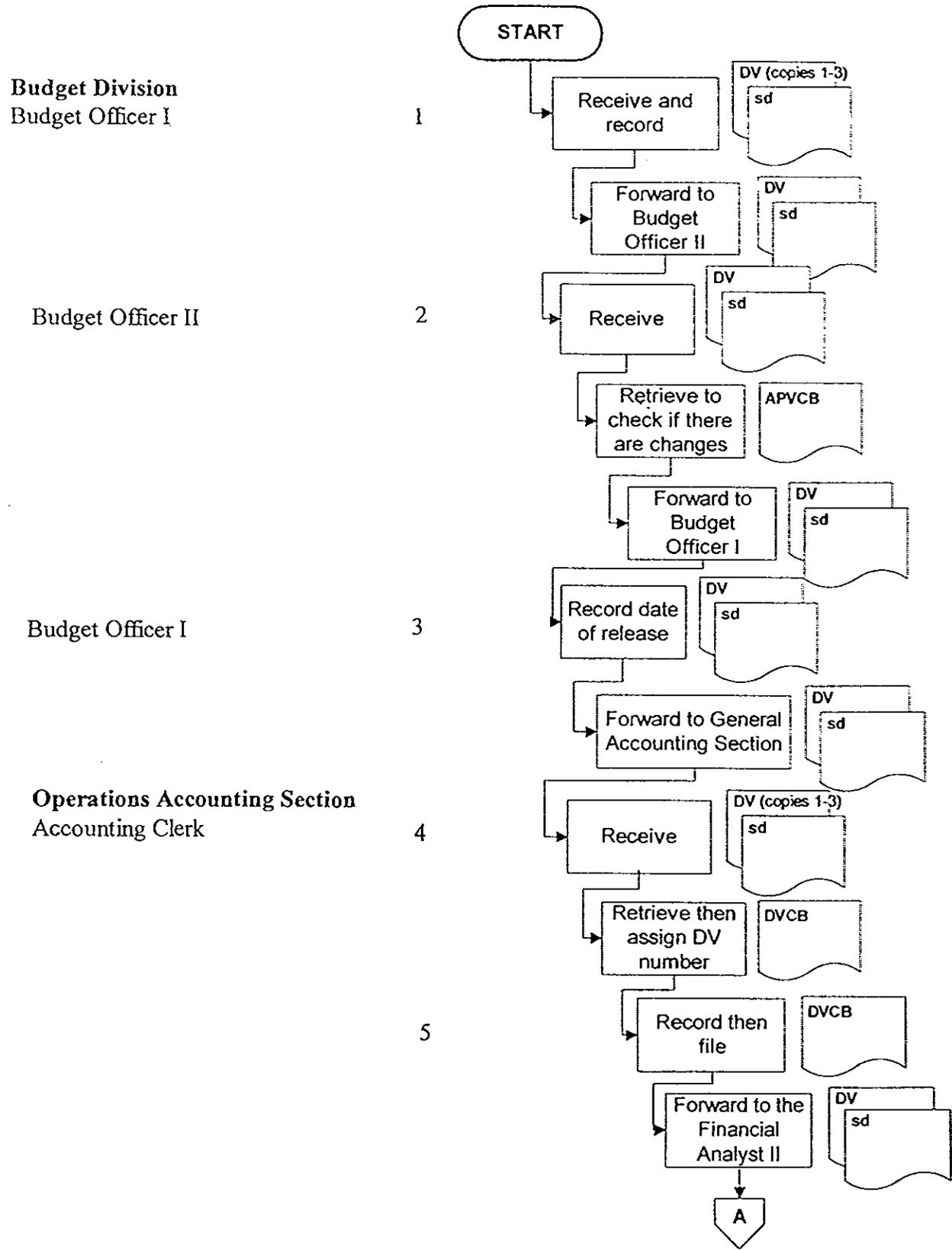
Notes:

1. The supporting documents for each type of disbursement as indicated at the back of the DV shall be followed/complied with.

Responsibility Area	Seq. No.	Activity
		2. The numbering structure for DV shall be as follows:
		000-00-00-00 
Accounting Clerk	5	Records the following in the DVCB: DV date and number, name of creditor, particulars and amount. Files DVCB and forwards documents to the Financial Analyst II for DV processing.
Financial Analyst II	6	Receives copies 1-3 of DV and supporting documents. Reviews DV and supporting documents. Retrieves Index of Payment to Creditors (IPC) or Cash Advance Subsidiary Ledger (CASL), in case of cash advance, from file.
	7	Determines whether there are prior payment of the same claim. If yes, returns the DV and supporting documents to Accounting Clerk for proper disposition. If none, records the following in the IPC: name and address of creditor, DV number, particular and amount. Files IPC.
	8	Indicates the accounting entries and signs on the "Journalized by" and "Examined by" portions of the DV. Forwards the documents to the Chief Accountant.
		Note:
		For accounting entries, refer to the Illustrative Accounting Entries of the manual.

Responsibility Area	Seq. No.	Activity
Chief Accountant	9	Reviews DV and supporting documents and certifies as to: <ol style="list-style-type: none"> 1. Availability of funds; 2. Expenditures are properly certified; 3. Proper account codes used; 4. Completeness of supporting documents; and 5. Previous cash advance liquidated and/or accounted for (for cash advance vouchers).
Accounting Clerk	10	Signs Box B of the DV. Forwards copies 1-3 of the DV and supporting documents to the Accounting Clerk for recording in the logbook and submission of the documents to next approving authority.
Accounting Clerk	11	Records in the DVCB the date when the DV and supporting documents shall be released, retains copy 3 of the DV for submission to the Bookkeeper for file. Forwards copies 1-2 of DV and supporting documents to the next approving authority.
Approving Authority	12	Reviews and signs/approves the DV. Forwards the DV and supporting documents to the Cash Section. (Please refer to the Narrative Procedures Preparation, Approval and Release of Check)

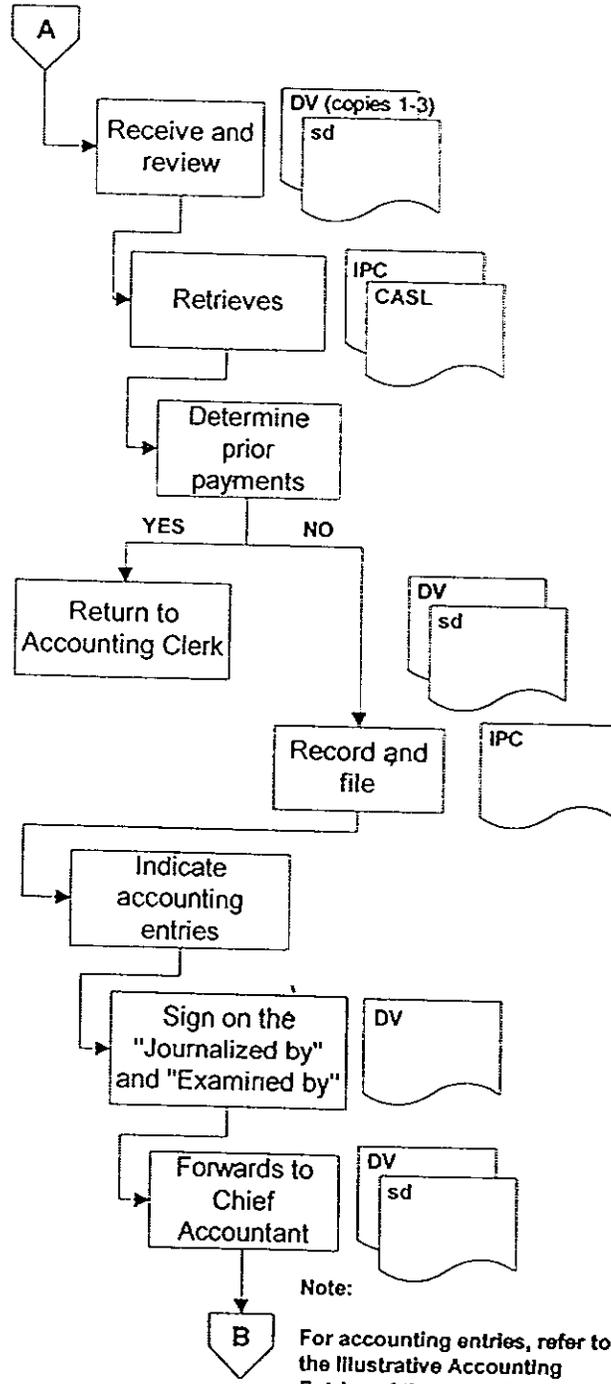
Responsibility Area	Seq. No.	Flowchart
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Responsibility Area	Seq. No.	Flowchart
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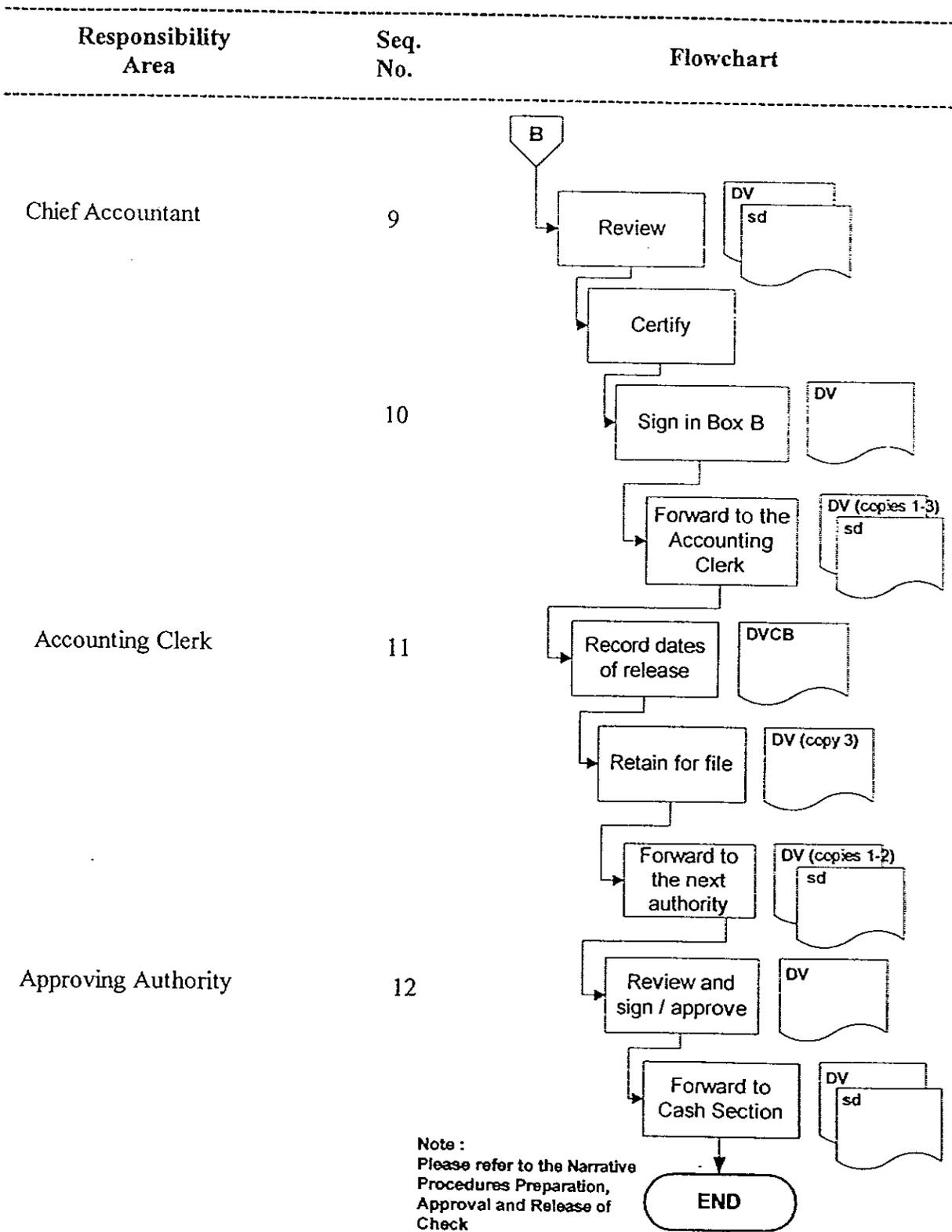
Financial Analyst II

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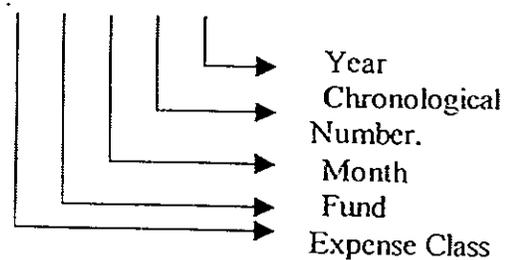
SYSTEM NAME: EXPENDITURE SYSTEM - OPERATIONAL
 FUNCTION NAME: PROCESSING AND APPROVAL OF DISBURSEMENT
 VOUCHER FOR OTHER EXPENSES.

Responsibility Area	Seq. No.	Activity
Budget Division Budget Officer I	1	Receives copy 1-3 of Disbursement Voucher (DV) and supporting documents from requesting officer/employee. Records receipt in the logbook.
	2	Reviews the amount to be obligated as well as the supporting documents. If found in order, prepares Accounts Payable Voucher in three copies. Assigns APV Number based on the last number appearing in the Accounts Payable Voucher Control Book.

Notes:

1. The supporting documents for each type of disbursement as indicated at the back of the DV shall be complied with.
2. The number structure for Accounts Payable Voucher shall be as follows:

00-000-00-00-00



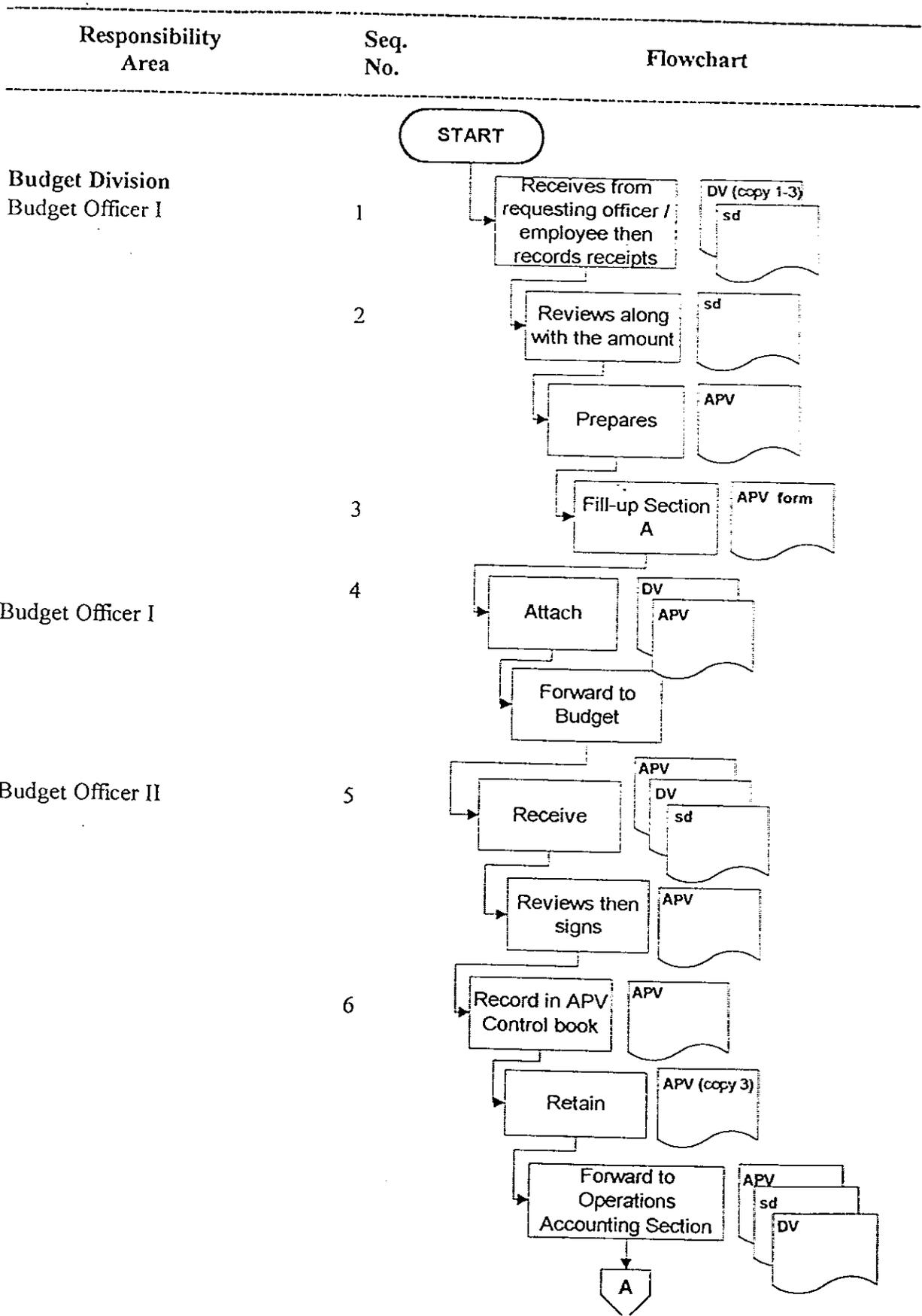
3. Fill-up Section A of the APV form.

Payee
 Date
 Brief description of the obligation
 Expense Code
 Amount

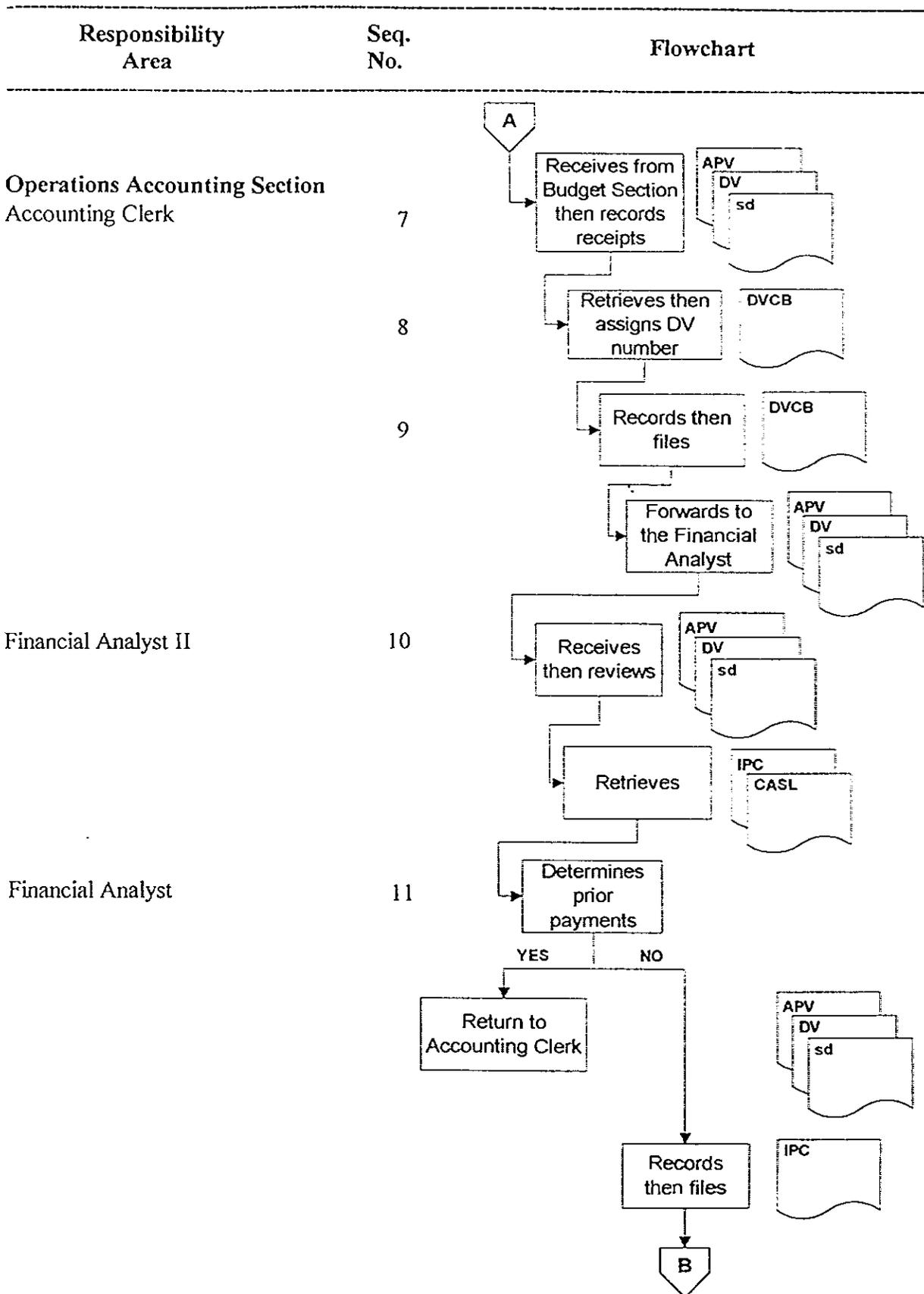
Responsibility Area	Seq. No.	Activity
Budget Officer I	4	Attaches the Accounts Payable Voucher to the DV and forwards them to the Budget Officer II for processing.
Budget Officer II	5	Receives copies of the APV, DV and supporting documents from Budget Officer I. Reviews APV and supporting documents and signs/approves the APV.
	6	Retrieves APV Control Book records APV date and number, classification and code, and amount. Retains copy 3 of APV for file. Forwards the documents to the Operations Accounting Section for funds availability approval.
Operations Accounting Section Accounting Clerk	7	Receives copies of APV, DV and supporting documents from Budget Section. Checks if supporting documents are complete. Records receipt in the logbook.
	8	Retrieves DV Control Book (DVCB) assigns DV number based on the last number appearing in the DVCB.
	9	Records the following in the DVCB: DV date and number, name of creditor, particulars and amount. Files DVCB and forwards documents to the Financial Analyst II for DV processing.
Financial Analyst II	10	Receives copies 1-3 of DV, APV and supporting documents. Reviews DV and supporting documents. Retrieves Index of Payment to Creditors (IPC) or Cash Advance Subsidiary Ledger (CASL), in case of cash advance, from file.

Responsibility Area	Seq. No.	Activity
Financial Analyst	11	Determines whether there are prior payments of the same claim. If yes, returns the DV, APV and supporting documents to Accounting Clerk for proper disposition. If none, records the following in the IPC: name and address of creditor, DV number, particulars and amount. Files IPC.
	12	Indicates the accounting entries and signs on the "Journalized by" and "Examined by" portions of the DV. Forwards the documents to the Accountant III. Note: For accounting entries, refer to the Illustrative Accounting Entries of the manual.
Accountant III	13	Receives copies of DV, APV and supporting documents. Reviews the request for funding and payment. If found in order, fill-up Section B of the APV Form. Amount Approved Date Approved
	14	Affixes his initials in the APV and forwards the documents to the Chief Accountant for approval.

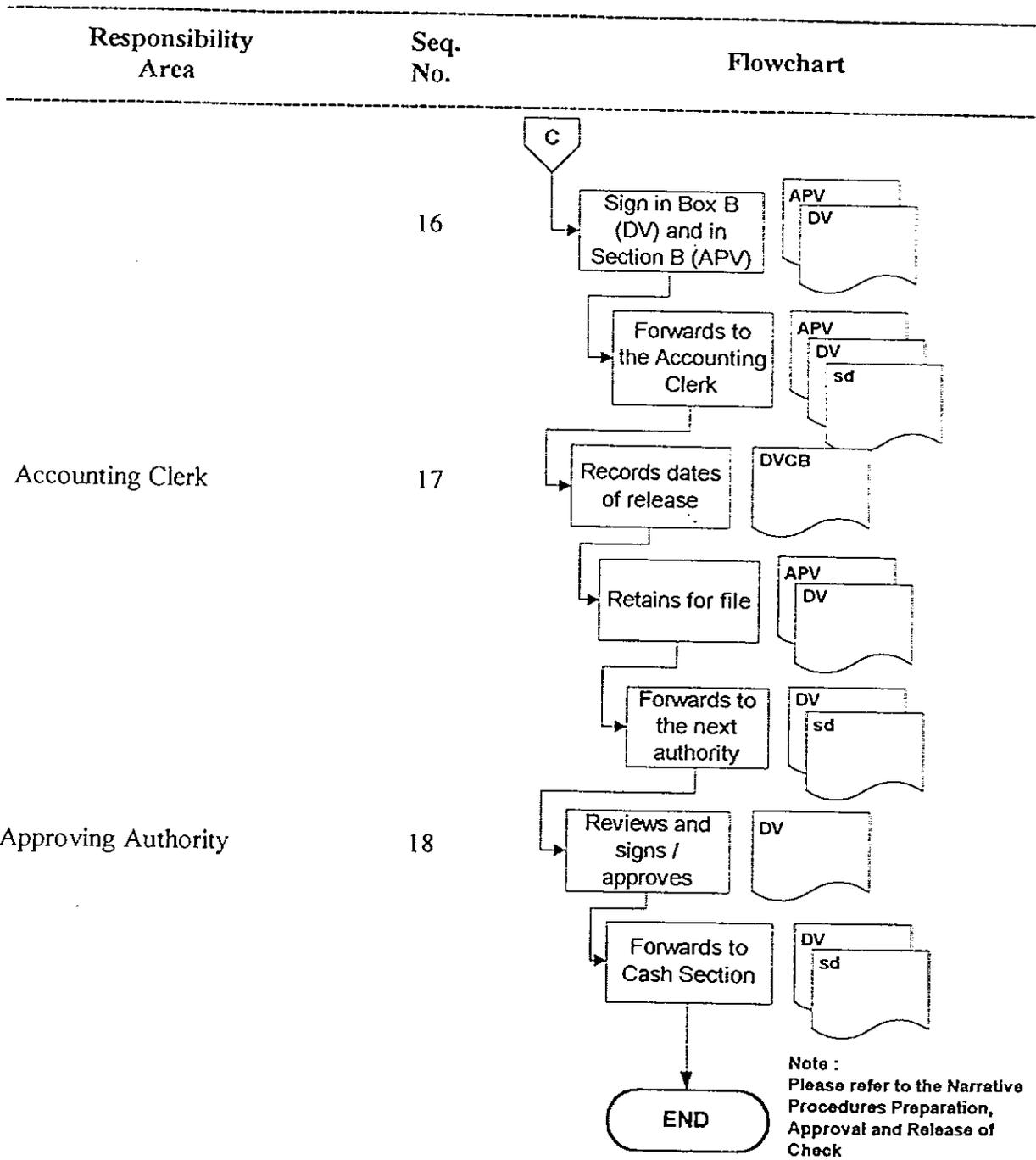
Responsibility Area	Seq. No.	Activity
Chief Accountant	15	<p>Receives copies of DV, APV and supporting documents. Reviews DV and supporting documents and certifies as to:</p> <ol style="list-style-type: none"> 1. Availability of funds; 2. Expenditures are properly certified; 3. Proper account codes used; 4. Completeness of supporting documents; and 5. Previous cash advance liquidated and/or accounted for (for cash advance vouchers).
	16	<p>Signs Box B of the DV and Section B of the APV. Forwards copies of DV, APV and supporting documents to the Accounting Clerk for recording in the logbook and submission of the documents to next approving authority.</p>
Accounting Clerk	17	<p>Records in the DVCB the date when the DV and supporting documents shall be released, retains a copy of the DV and APV for submission to the Bookkeeper for file and recording of payables in the books of accounts. (Refer to the Narrative Procedures on Recording of Payables in the Books of Accounts) Forwards copies 1-2 of DV and supporting documents to the next approving authority.</p>
	18	<p>Reviews and signs/approves the DV. Forwards the DV and supporting documents to the Cash Section. (Please refer to the Narrative Procedures Preparation, Approval and Release of Check)</p>



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Responsibility Area	Seq. No.	Flowchart
Accountant III	12	
Accountant III	13	<p data-bbox="982 892 1329 1018">Note: For accounting entries, refer to the Illustrative Accounting Entries of the manual.</p>
Financial Analyst	14	
Chief Accountant	15	



SYSTEM NAME: EXPENDITURE SYSTEM - OPERATIONAL
 FUNCTION NAME: PREPARATION, APPROVAL AND RELEASE OF CHECKS.

Responsibility Area	Seq. No.	Activity
Treasury Division/ Cash Section Clerk III	1	Receives copies 1-2 of DV and supporting documents from approving authority. Initials and indicates date of receipt on the document and records the same in the logbook (LB). Forwards the documents to Cash Clerk III.
Cash Clerk	2	Prepares check in two (2) copies. Indicates check number, date amount and payee in the DV.
	3	Records in the Checkbook (CB) information such as date, check number, payee and amount. Forward copies 1-2 of check, DV and supporting documents to Chief Cashier for review.
Chief Cashier	4	Verifies the check against the DV and initial copy 2 of the check. Forwards copies 1-2 of check, DV and supporting documents to the authorized signatories.
Authorized Signatory	5	Signs the check and forwards it together DV and supporting documents to authorized counter-signatory.
Authorized Counter - signatory	6	Countersigns the check and forwards copies of check, DV and supporting documents back to the Cash Section.

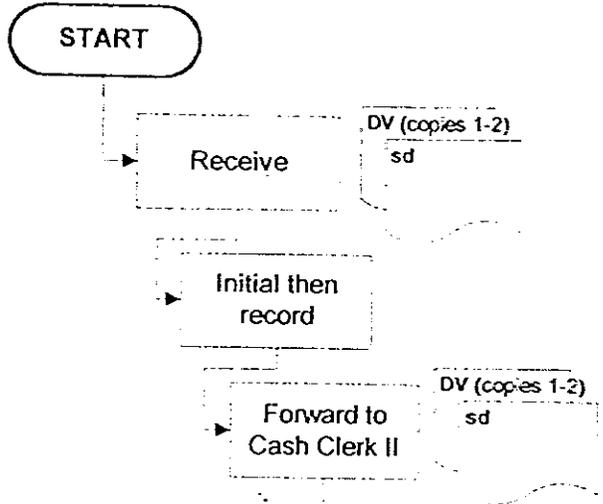
Responsibility Area	Seq. No.	Activity
Treasury Division/ Cash Section Cashier III	7	Receives check, DV and supporting documents from authorized signatories. Retrieves CB and indicates the date of receipt of the check from approving authority. Files the CB. Issues the check to the payee upon demand. Note: The payee shall acknowledge receipt of the check by signing on the "Received by" portion of the DV and CB and/or by issuing Official Receipt (OR).
	8	Attaches the OR on the DV. Files copies of check, DV and supporting documents for submission of the same to the Accounting Division. (Refer to the Narrative Procedure on Recording of Payments in the Books of Accounts.

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Responsibility Area	Seq. No.	Flowchart
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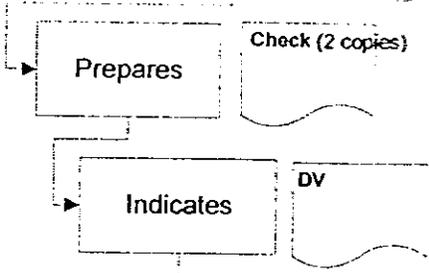
Treasury Division/
Cash Section
Clerk III

1

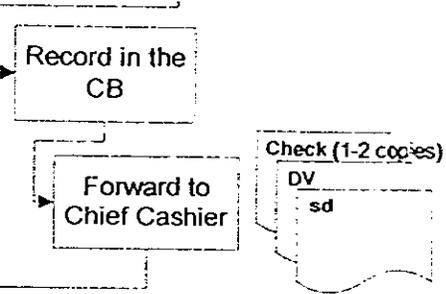


Cash Clerk

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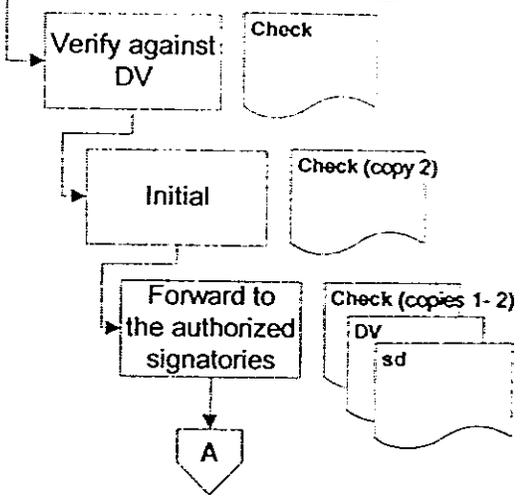


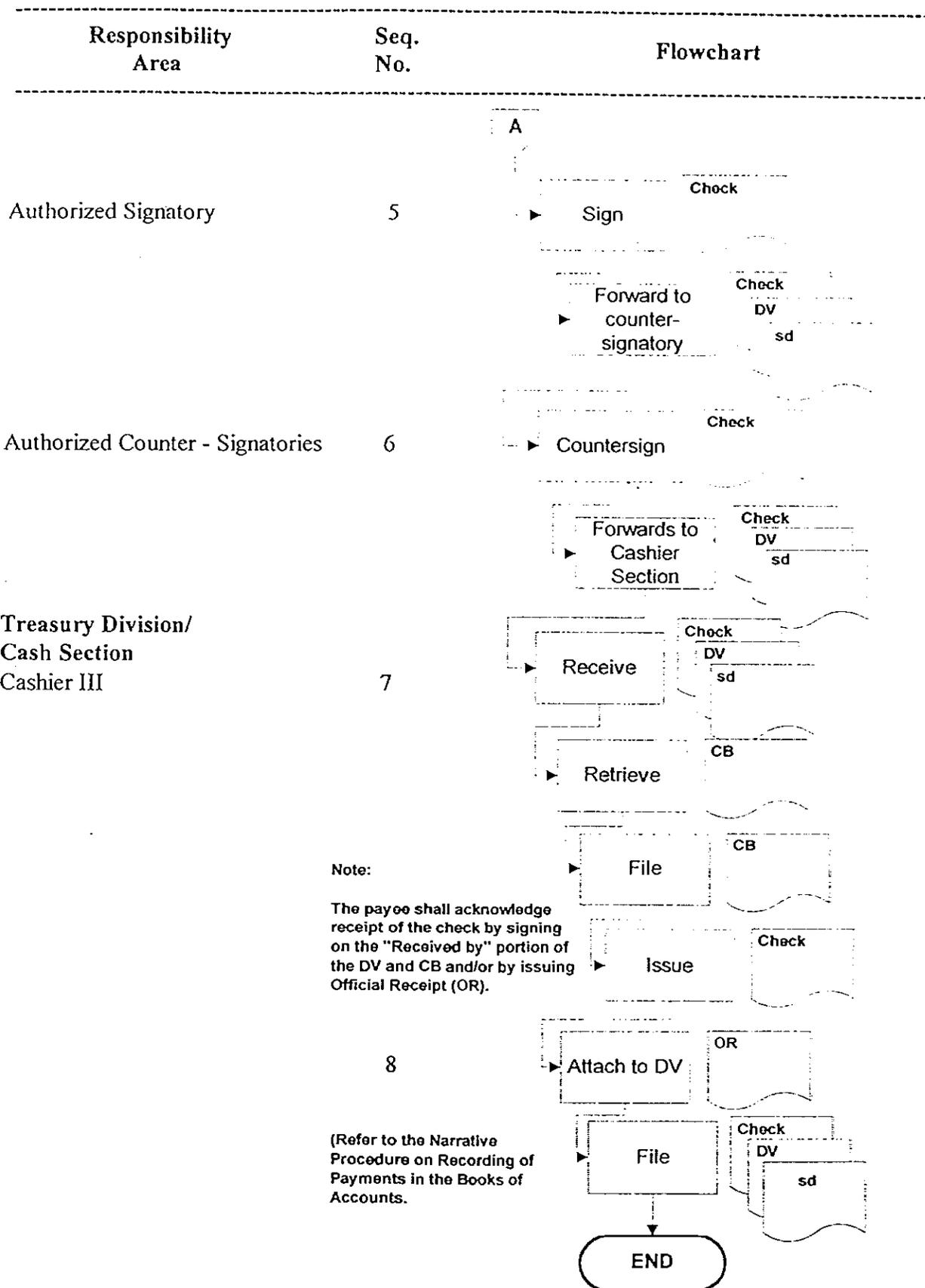
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Chief Cashier

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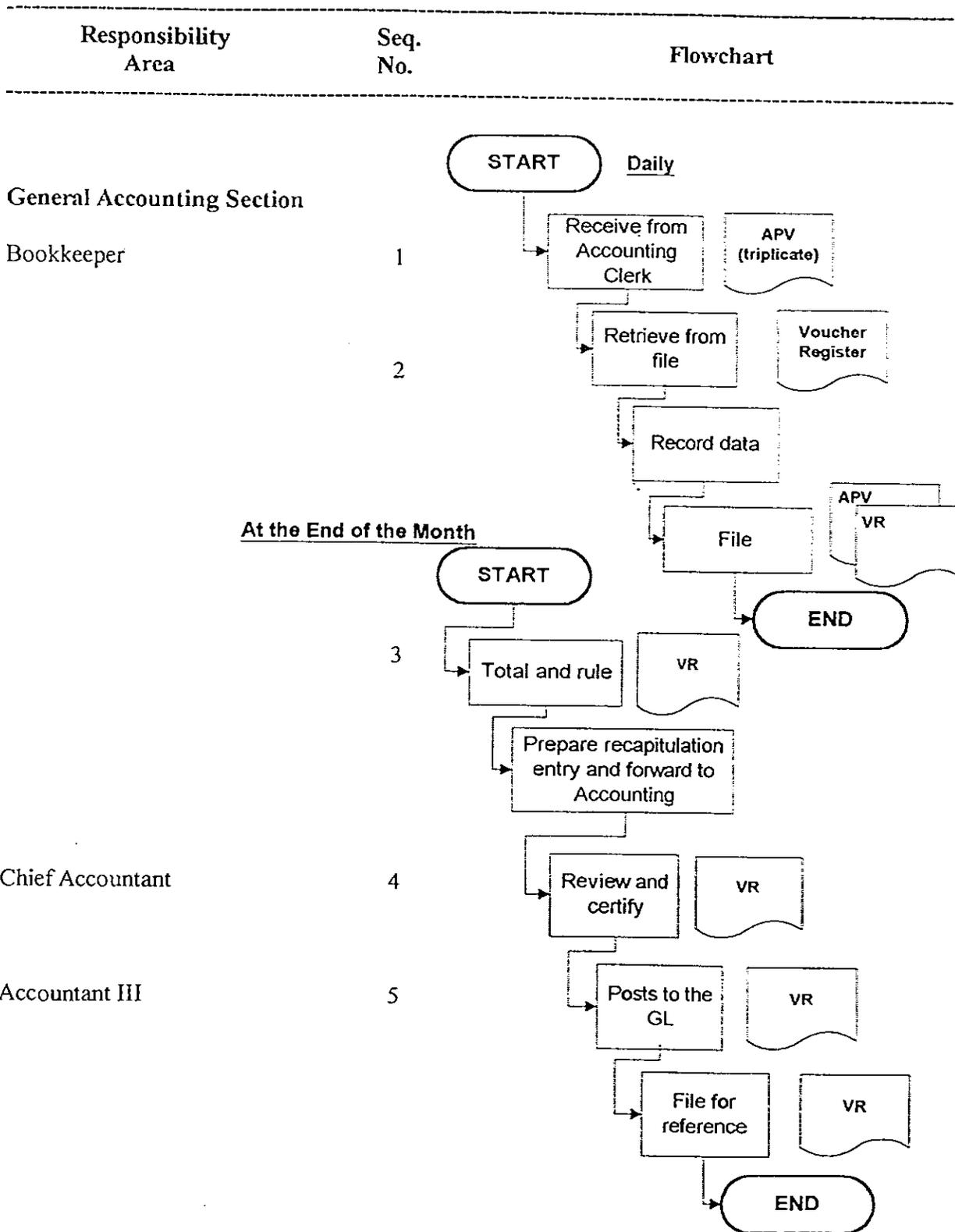




(Refer to the Narrative Procedure on Recording of Payments in the Books of Accounts.

SYSTEM NAME: EXPENDITURE SYSTEM - OPERATIONAL
 FUNCTION NAME: RECORDING OF PAYABLES IN THE BOOKS OF
 ACCOUNTS.

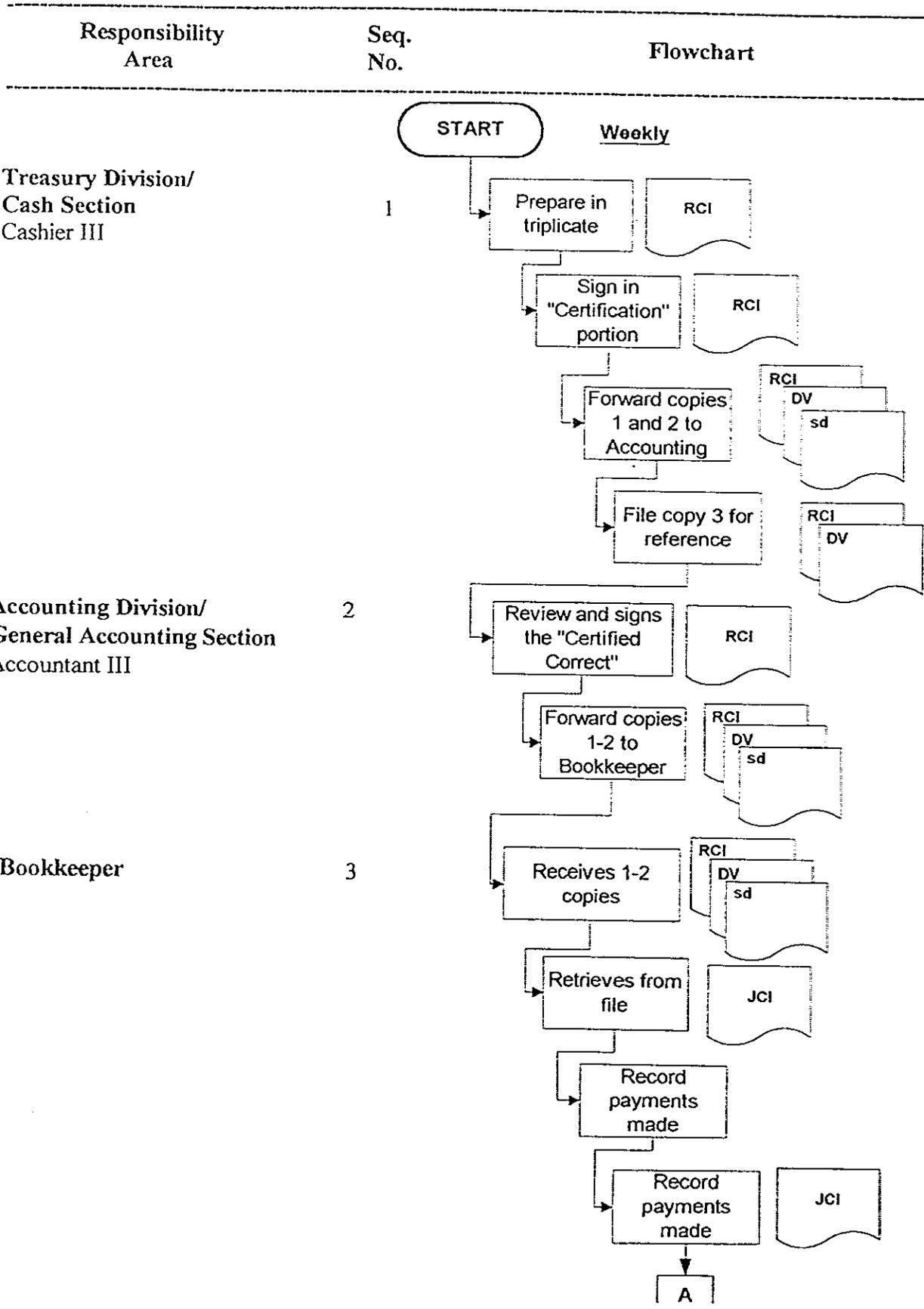
Responsibility Area	Seq. No.	Activity
General Accounting Section		<u>Daily</u>
Bookkeeper	1	Receives copy 3 of APV from the Accounting Clerk. Retrieves Voucher Register (VR) from file.
	2	Records the APV date and number, payee, account classification and code, and amount. Files copy of APV and VR temporarily.
		<u>At the End of the Month.</u>
	3	Totals and rules the VR. Prepares recapitulation entry and forwards the same to the Chief Accountant for Certification.
Chief Accountant	4	Reviews the VR and certifies. Forwards the VR to Accountant III for posting to the General Ledger (GL).
Accountant III	5	Post the column totals and the recapitulation of the Sundry column of the VR to the GL. Files GL for reference. Forwards the VR to the Bookkeeper for temporary filing.

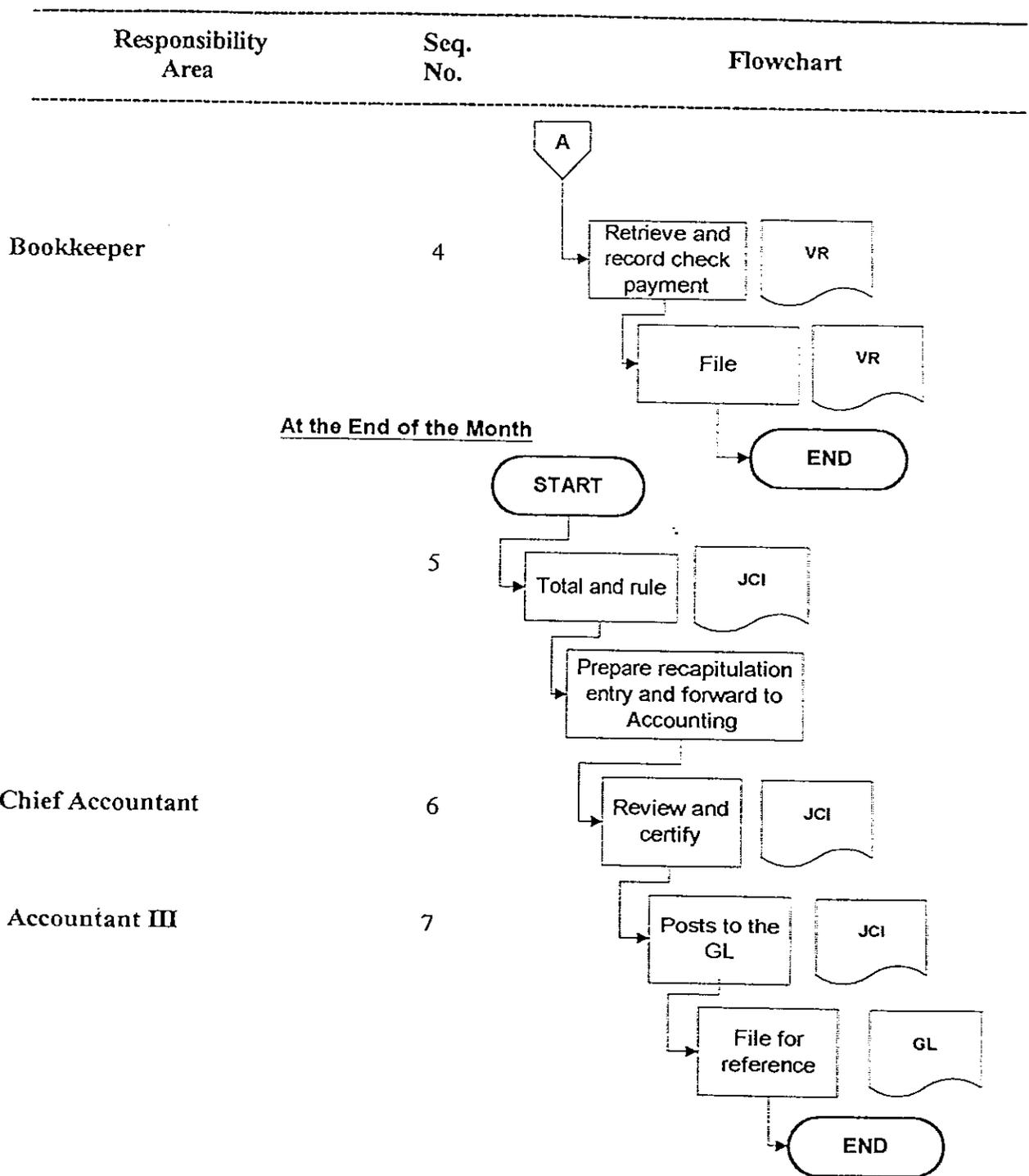


SYSTEM NAME: EXPENDITURE SYSTEM - OPERATIONAL
 FUNCTION NAME: RECORDING OF PAYMENTS IN THE BOOKS OF
 ACCOUNTS.

Responsibility Area	Seq. No.	Activity
		<u>Weekly</u>
Treasury Division/ Cash Section Cashier III	1	Prepares the Report of Checks Issued (RCI) in three (3) copies. Signs in the "Certification" portion of the RCI. Forwards copies 1-2 of the RCI, DVs and supporting documents to the Accountant III for review. Files copy 3 of the RCI and DV for future reference.
		Note:
		The following information shall be contained in the RCI:
		<ol style="list-style-type: none"> 1. Date 2. Check Number 3. Payee 4. Particulars 5. Cash in Bank Credited 6. Account Distribution 7. Sundry Account Code, Debit/Credit Amount
Accounting Division/ General Accounting Section Accountant III	2	Reviews the RCI and signs the "Certified Correct" portion. Forwards copies 1-2 of RCI, DVs and supporting document to Bookkeeper for recording.
Bookkeeper	3	Receives copies 1-2 of RCI, copy of DV and supporting document from the Cash Section. Retrieves Journal of Check Issued (JCI) from file and based on the RCI, records the payments made in the JCI. Files JCI temporarily.

Responsibility Area	Seq. No.	Activity
Bookkeeper	4	Retrieves Voucher Register and records the check payment in the proper columns of the VR. Files VR temporarily.
		<u>At the end of the month.</u>
	5	Totals and rules the JCI. Prepares recapitulation entry and forwards the same to the Chief Accountant for Certification.
Chief Accountant	6	Reviews the JCI and certifies. Forwards the JCI to Accountant III for posting to the General Ledger (GL).
Accountant III	7	Posts the column totals of the JCI to the GL. Files GL for reference. Forwards the JCI to the Bookkeeper for temporary filing.





SYSTEM NAME: EXPENDITURE SYSTEM - OPERATIONAL
 FUNCTION NAME: DISBURSEMENT OF PETTY CASH FUND.

Responsibility Area	Seq. No.	Activity
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Receipt of Petty Cash Fund

Treasury Division
 Cash Section
 Cashier III

- | | |
|---|---|
| 1 | Receives Petty Cash Fund and supporting documents from authorized signatories and records the receipt of PCF in the Petty Cash Control Book (PCB). Files PCB and supporting documents for future reference. |
| 2 | Safe keeps the PCF in the vault |

Petty Cash Fund Disbursements.

Division Concerned/Requestor
 Division Chief

- | | |
|---|--|
| 3 | Whenever necessary, prepares two (2) copies of Petty Cash Voucher (PCV). Signs on the "Requested by" portion of the PCV and forwards the PCV to the authorized Signatory for approval. |
|---|--|

Authorized Signatory

- | | |
|---|--|
| 4 | Receives copies 1-2 of PCV and signs on the "Approved by" portion of the PCV. Returns the PCV to the Requesting Party. |
|---|--|

Requestor/Division Chief

- | | |
|---|---|
| 5 | Receives the PCV from the Authorized Signatory and forwards the same to the Petty Cash Custodian. |
|---|---|

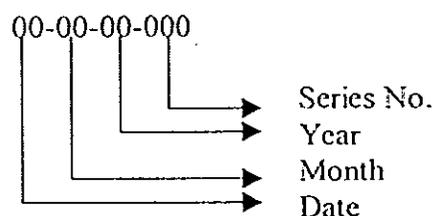
Treasury Division/
 Cash Section
 Cashier III

- | | |
|---|--|
| 6 | Receives copies 1-2 of PCV and assigns PCV number. |
|---|--|

Responsibility Area	Seq. No.	Activity
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Note:

Numbering of the PCV shall be in the following manner:



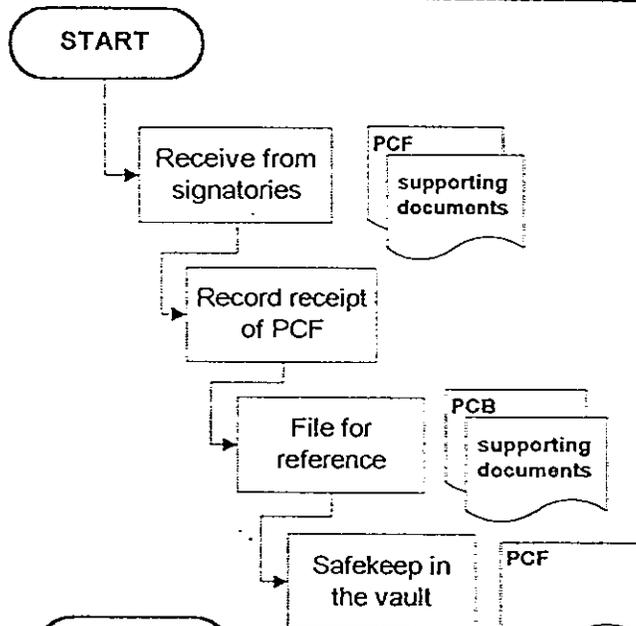
7. Retrieves cash from safe and gives cash to Requestor who acknowledges receipt of cash by signing on the "Received by" portion of the PCV.
8. Stamps "Paid" on the PCV. Gives copy 2 of PCV to Requestor and files copy 1 temporarily.
9. Retrieves PCB from file and records the following;
 1. Date
 2. Payee
 3. Nature of Petty Cash advance/expense
 4. Amount
10. Files PCV and PCB temporality.

Responsibility Area	Seq. No.	Flowchart
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Receipt of Petty Cash Fund

Treasury Division
Cash Section
Cashier III

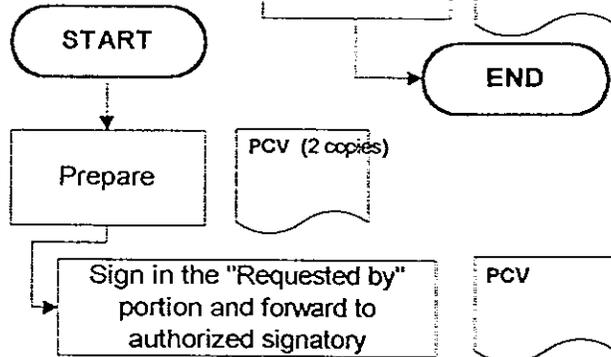
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Petty Cash Fund Reimbursement

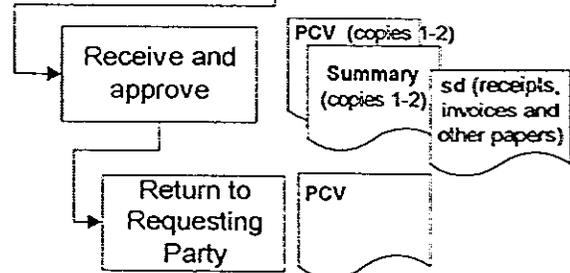
Division Chief / Requestor
Division Chief

3



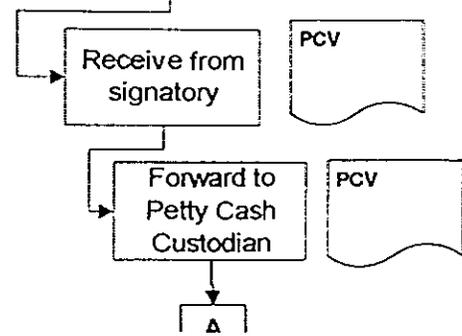
Authorized Signatory

4



Division Chief / Requestor

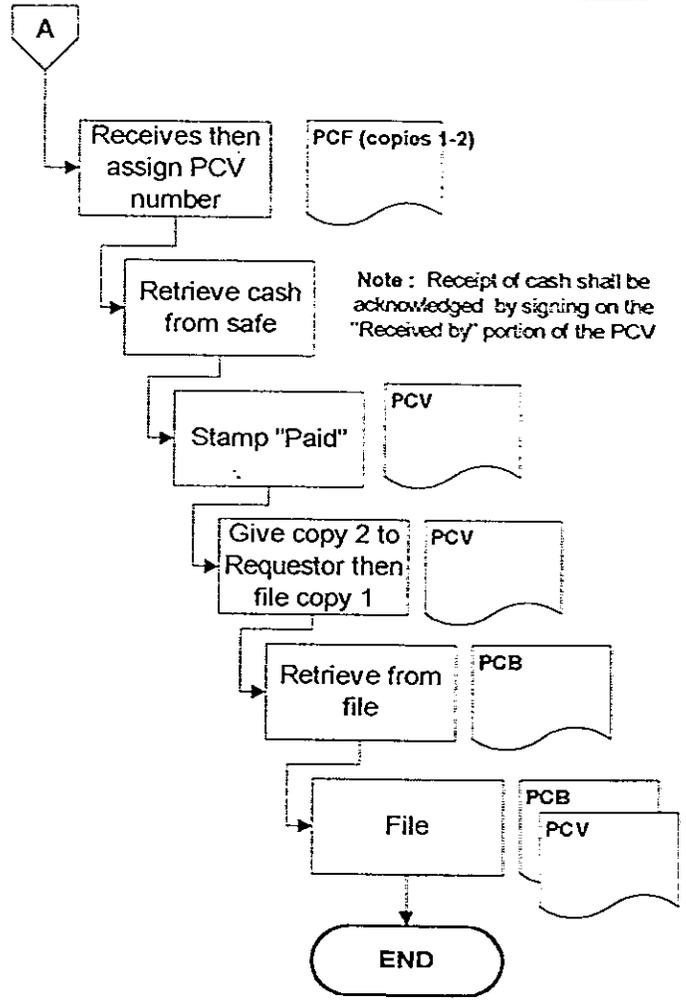
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Responsibility Area	Seq. No.	Flowchart
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Treasury Division
Cash Section
Cashier III

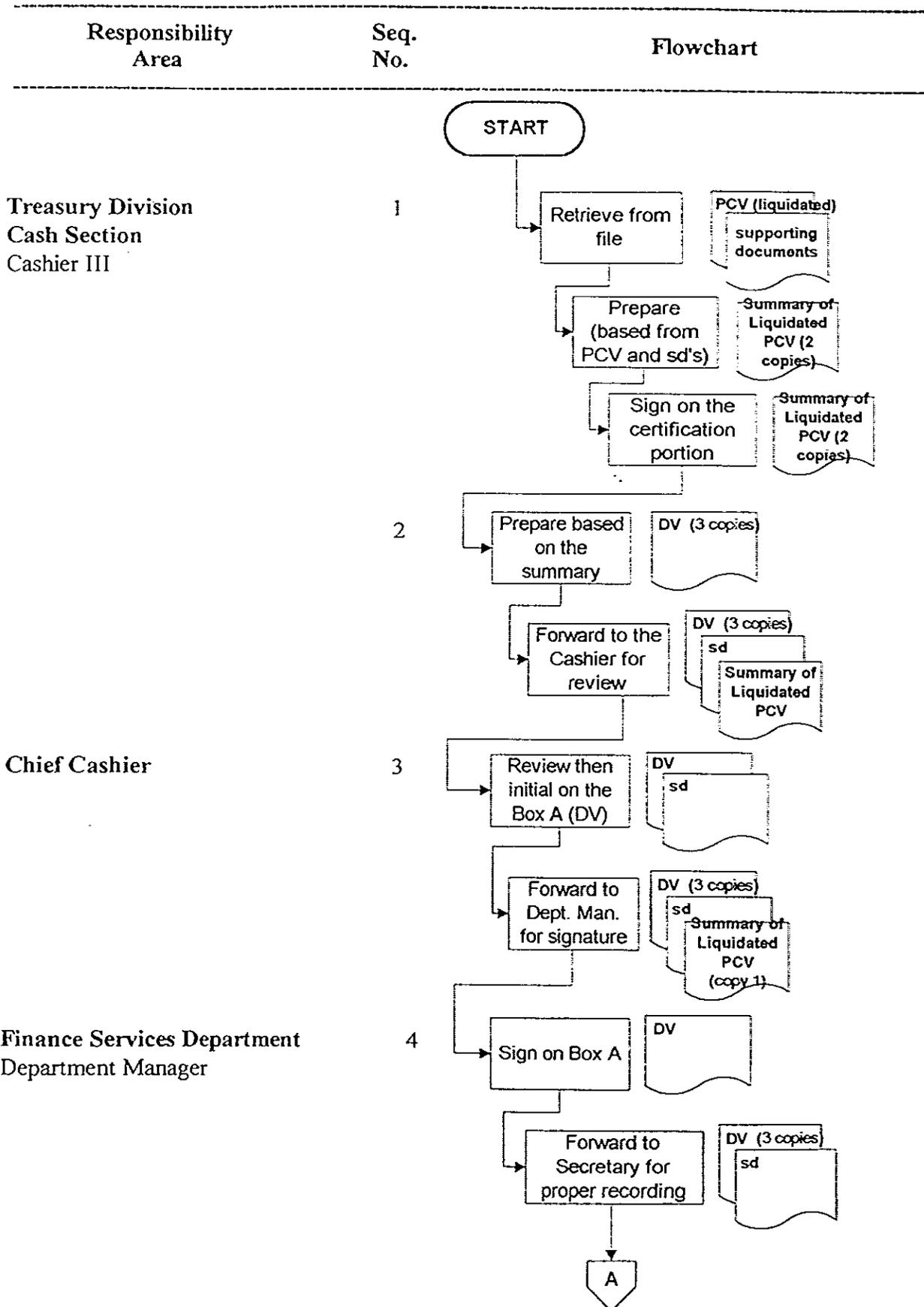
6



SYSTEM NAME: EXPENDITURE SYSTEM - OPERATIONAL
 FUNCTION NAME: REPLENISHMENT OF PETTY CASH FUND.

Responsibility Area	Seq. No.	Activity
Treasury Division/ Cash Section		
Cashier III	1	Retrieves liquidated Petty Cash Vouchers (PCV) and supporting document from file. Prepares Summary of Liquidated Petty Cash Vouchers in two (2) copies based on the liquidated PCVs and supporting documents. Signs on the certification portion of the summary.
	2	Prepares Disbursement Voucher in three (3) copies based on the summary and forwards copies 1-3 of DV, Summary of Liquidated PCVs and supporting documents to the Cashier for review.
Chief Cashier	3	Reviews DV and supporting documents and initials Box A of DV. Forwards copies 1-3 of DV, copy 1 of Summary of Liquidated PCVs and supporting documents to Department Manager for signature. Forwards copy 2 of summary to Cashier III for filing.
Finance Services Department		
Department Manager	4	Signs on Box A of DV and forwards copy 1-3 of DV and supporting documents to Secretary I for recording in the Logbook.
Secretary	5	Records the following information in the logbook: <ol style="list-style-type: none"> 1. Date of released of the documents 2. Particular 3. Amount to be replenished 4. Destination of the document.

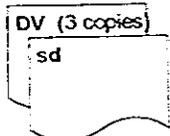
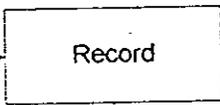
Responsibility Area	Seq. No.	Activity
Secretary I	6	Forwards copies 1-3 of DV, copy 1 of Summary of Liquidated PCVs and supporting documents to the accounting Division. (For succeeding activities, refer to the Narrative Procedures on Processing and Approval of Disbursement Vouchers-Other Expenses and Narrative Procedures on the Preparation, Approval and Release of Checks.)



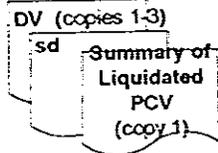
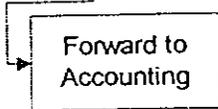
Responsibility Area	Seq. No.	Flowchart
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Secretary

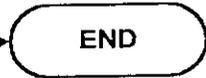
5



6



For succeeding activities, refer to the Narrative Procedures on Processing and Approval of Disbursement Vouchers- Other Expenses and Narrative Procedures on the Preparation, Approval and Release of Checks.)



SYSTEM NAME: EXPENDITURE SYSTEM - OPERATIONAL
 FUNCTION NAME: LIQUIDATION OF PETTY CASH FUND.

Responsibility Area	Seq. No.	Activity
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Note:

Cash advance from petty cash fund must be liquidated within a reasonable time once the purpose for which it was established has been fulfilled.

Division Concerned.

Requesting Party/Division Chief

1

Retrieves supporting documents and copy 2 of PCV. Prepares Summary of Petty Cash Expenses in two (2) copies. Signs the "Prepared by" portion of the report and forwards the same to the Authorized Signatory for approval.

Note:

The supporting documents shall consist of receipts, invoices and other papers evidencing payment made to supplier and/or creditor.

Authorized Signatory

2

Receives copies 1-2 of the summary, copy 2 of the PCV and supporting documents from requesting party. Reviews correctness and validity and signs on the "Approved by" portion of the summary. Forwards documents to the Requesting Party for submission to the Petty Cash Custodian.

Requesting Party/Division Chief

3

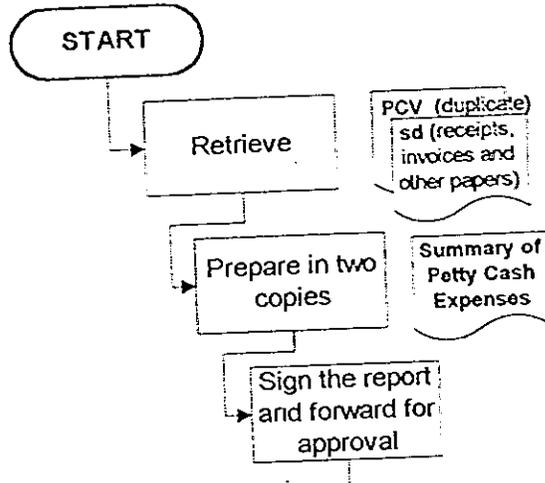
Receives copies 1-2 of the summary, copy 2 of the PCV and supporting documents from the Authorized Signatory. Forwards 1 copy of the summary, copy 2 of the PCV and supporting documents to the Petty Cash Custodian for liquidation of the Petty Cash Advance. Retains copy 2 of the summary for file.

Responsibility Area	Seq. No.	Activity
Treasury Division/ Cash Section Cashier III	4	Receives copy 1 of the summary, copy 2 of PCV and supporting documents from the Requesting Party. Retrieves copy 1 of PCV from file and compares the documents received. Indicates amounts to be liquidated and/or refunded/reimbursed on copy 1 of the PCV.
	5	Retrieves PCB from file and enters the amount actually liquidated and make adjustments, if any. Files PCB and copy 1 of PCV, summary and supporting documents temporarily. Forwards copy 2 to the requesting party.

Responsibility Area	Seq. No.	Flowchart
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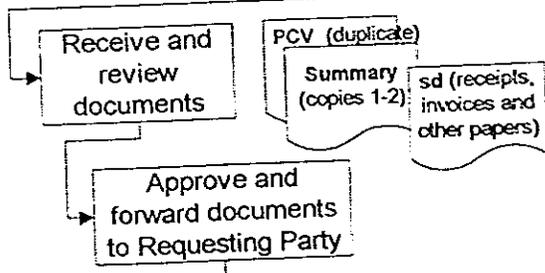
Division Concerned.
Requesting Party / Division Chief

1



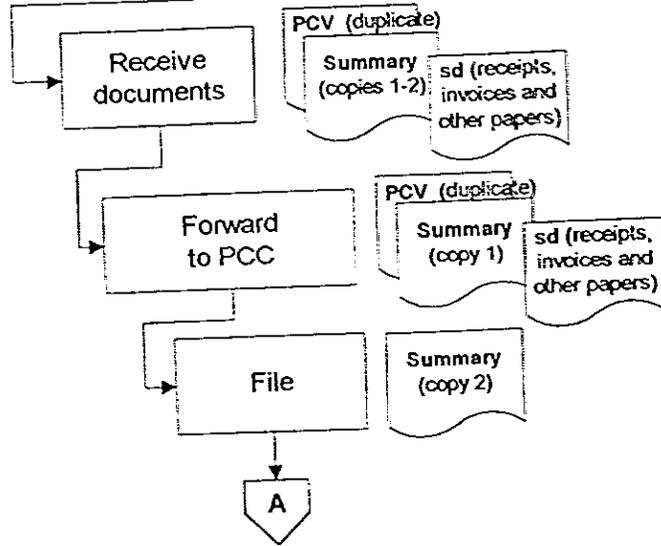
Authorized Signatory

2



Requesting Party / Division Chief

3



Responsibility Area	Seq. No.	Flowchart
Treasury Division / Cash Section Cashier III	4	<pre> graph TD A{A} --> R1[Receive documents] R1 --> R2[Retrieve and then compare] R2 --> R3[Indicate amount] </pre>
	5	<pre> graph TD R3 --> R4[Retrieve] R4 --> R5[Enter amount and make adjustments (if any)] R5 --> R6[File] R6 --> R7[Forward to Requesting Party] R7 --> END([END]) </pre>

SYSTEM NAME: PAYROLL SYSTEM
 FUNCTION NAME: CREATION/MAINTENANCE OF EMPLOYEE RECORDS.

Responsibility Area	Seq. No.	Activity
Concerned Department/ Concerned Division		<u>Every first working day of the month.</u>
Concerned Officer	1	Receives from the employees duly punched Daily Time Records (DTRs) of the previous month. Check entries in the DTRs with the entries in the Attendance Log Sheet (ALS).
		Note: The DTRs shall be punched daily, signed by the employee, and verified and certified by his immediate supervisor at the end of the month. Employees shall accomplish separate DTRs to support remuneration for overtime and honoraria claims. These shall also be verified and signed by the supervisor.
	2	Prepares Report of Attendance, Absences and Undertimes (RAAU) in 2 copies based on the information contained in the DTRs.
	3	Sigs "Prepared by" portion of the RAAU and forwards copies 1-2 of the same together with DTRs to Head of Division.
Department Manager	4	Sigs "Approved by" portion of the RAAU.
Concerned Personnel	5	Files Copy 2 of the RAAU and forwards copy 1 of the RAAU together with the DTRs to Human Resource Management Division.

Responsibility Area	Seq. No.	Activity
Human Resource Management Division		
Human Resource Management Officer II	6	<p>Receives DTRs and copy 1 of the RAAU from the different Services. Determines if absences reflected in the DTRs and RAAU are authorized and supported by leave credits by verifying the Employees Ledger Card (ELC). Also determines if extra services are authorized as evidence by an authority.</p> <p>Note:</p> <p>Applications for leave shall be duly approved before posting to ELC.</p>
	7	<p>Post the RAAU in the ELC. Updates leave credit balances and determines leave without pay.</p> <p>Note:</p> <p>An ELC shall be created once an employee collects his first salary and shall be filed alphabetically.</p>
	8	<p>If the employees involved are part-time personnel, checks RAAU and DTR against their Appointment taken from file to ascertain veracity of the claim/status. Returns the Appointment on file.</p> <p>Note:</p> <p>Part-time personnel do not earn leave credits thus there is no need to maintain ELC.</p>

Responsibility Area	Seq. No.	Activity
Human Resource Management Officer II	9	Based on the updated ELC and RAAU, prepares 2 copies of Notice of Payroll Adjustment (NPA), if necessary.
		Notes:
		1. NPA shall be prepared monthly whenever applicable.
		2. The Payroll Information on New Employee (PINE) and Certificate of Clearance from Human Resource Management Division shall also be used as basis for NPA preparation.
		3. PINE shall be accomplished by the new employee in 2 copies upon assumption to office.
		4. Certificate of Clearance is used in the preparation of the NPA in cases where employees resign, transfer or retire.
Division Chief, HRMD	10	Signs "Prepared by" portion of the NPA.
	11	Signs "Certified Correct" portion of the NPA. The DTRs and copy 2 of the NPA are returned to Personnel Clerk for file while copy 1 of NPA and RAAU are forwarded to the Accounting Division.
Accounting Division/ Operations Accounting Section Accounting Clerk III	12	Receives NPA from HRMD and records the same in the logbook.

Responsibility Area	Seq. No.	Activity
Accounting Clerk	13	Prepares Bill in three (3) copies and initials in the "Certified Correct" portion of the bill. Forwards the bill to Accountant III for review.
Accountant III	14	Reviews and signs in the "Certified Correct" portion of the bill.
Accounting Clerk III	15	Distributes the bill as follows: Original - Employees concerned Copy 2 - Accounting Clerk III Copy 3 - File
Financial Analyst II	16	Receives the following Payroll Source Documents (PSD) from various sources. Note: PSD includes the following: <ol style="list-style-type: none"> a. Special Order/Appointment or designation papers signed by Approving Official. b. Notice of salary deductions received from HRMD and other government agencies like GSIS, Pag-ibig, etc. c. Notice of Salary Adjustments - used for computation of differential and for adjusting new salary rate of employee. d. Request for changes in the payroll (add/deduct) filed by the employee. e. Bills to employees for leave without pay, overpayment of salaries/RATA and hospital charges.

Responsibility Area	Seq. No.	Activity
Financial Analyst II	17	Retrieves previous month payroll (PMP) and effects changes/corrections based on PSD received.
	18	If there is a new employee, verifies if said employee has been paid his first salary through Disbursement Voueher, if yes, includes his name in the PMP. If not, defer the inclusion of the new employee in the payroll until he received his first salary.
	19	Initials and indicates the date in the PSD when corrections/changes have been effected in the PMP.
	20	Accesses the Payroll Information System (PIS) and performs the File Maintenance Mater File Menu. Retrieves from the file PINE and other PSD which was submitted by new employee immediately after assumption of office and inputs data from these documents.

Notes:

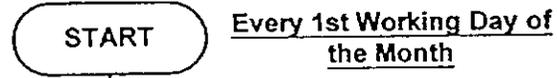
Upon receipt of the PINE, payroll clerk assigns employee number to the new employee based on last number assigned existing in computer file. This also constitutes creation of employee record file. He then indicates the employee number on the 2 copies of PINE, retains the original copy and returns the duplicate copy to the HRMD.

Responsibility Area	Seq. No.	Activity
Financial Analyst II	21	<p>If the employee assumes office and submits PINE before the cut-off date, he shall be immediately included in the payroll for the following month so that only his first salary shall be paid by DV. Otherwise, only after his second salary which shall also be paid by DV shall he be included in the computerized payroll.</p> <p>Effects the other changes in the File Maintenance-Monthly Menu and generates Proof List (PL).</p> <p>Note:</p> <p>The following PL shall be generated:</p> <ul style="list-style-type: none"> a. PL of Employees Net Earnings b. PL of Employees with RATA c. PL of Employees with Honorarium d. PL of Employee with Overtime e. PL of Salary Deductions f. PL of Salary Adjustments g. PL of Payroll Adjustments h. PL of New Employees <p>Normally, a PL reflects all valid information whether inputted in the previous month(s) or the current month. To check accuracy of inputting, the PL generated shall only cover data inputted during the current month.</p>
Chief Accountant	22	<p>Ascertains correctness of the PL and initials the same. Indicates instructions for the generation of the payroll registers. Summary of Employees Net Earnings, List of Remittances, Payroll Summary by Office, Pay slip. (Please refer to payroll preparation.)</p>

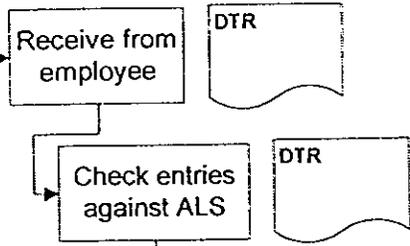
Responsibility Area	Seq. No.	Flowchart
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Concerned Department/
Concerned Division

Concerned Officer



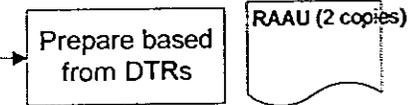
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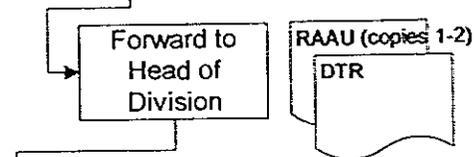
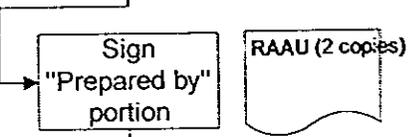
Note:

The DTRs shall be punched daily, signed by the employee, and verified and certified by his immediate supervisor at the end of the month. Employees shall accomplish separate DTRs to support remuneration for overtime and honoraria claims. These shall also be verified and signed by the supervisor.

2

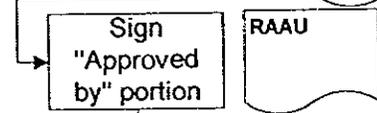


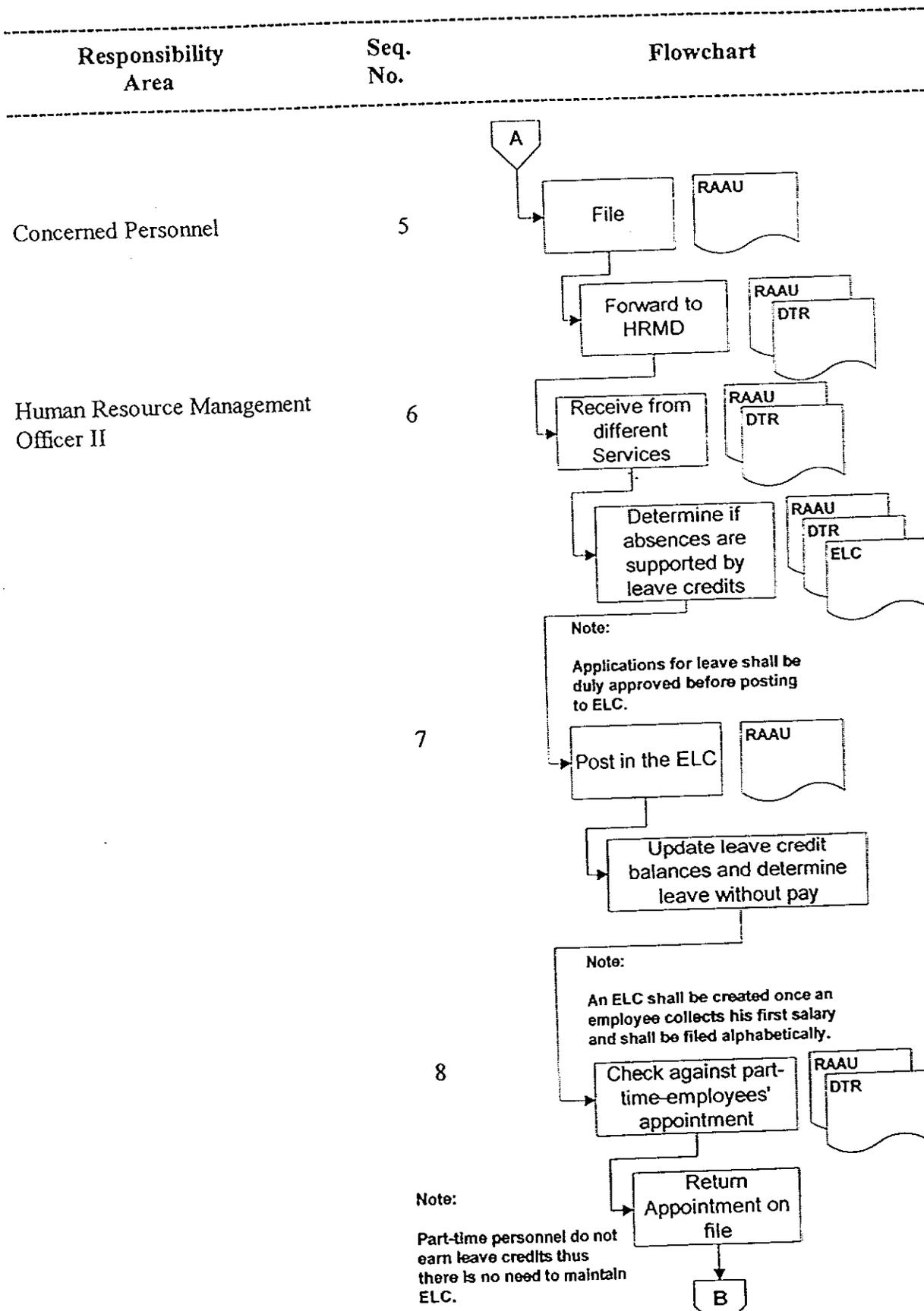
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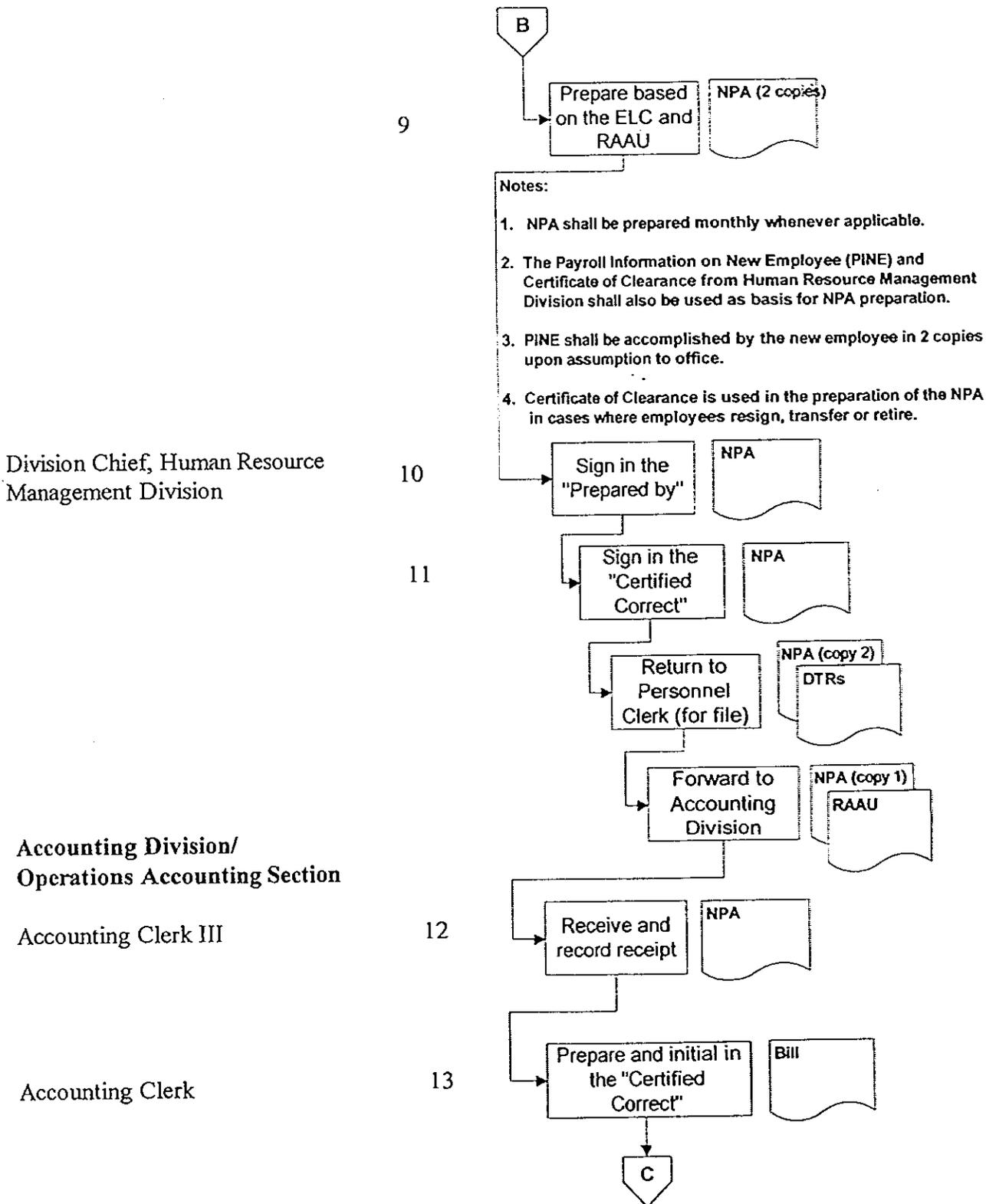
Department Manager

4





Responsibility Area	Seq. No.	Flowchart
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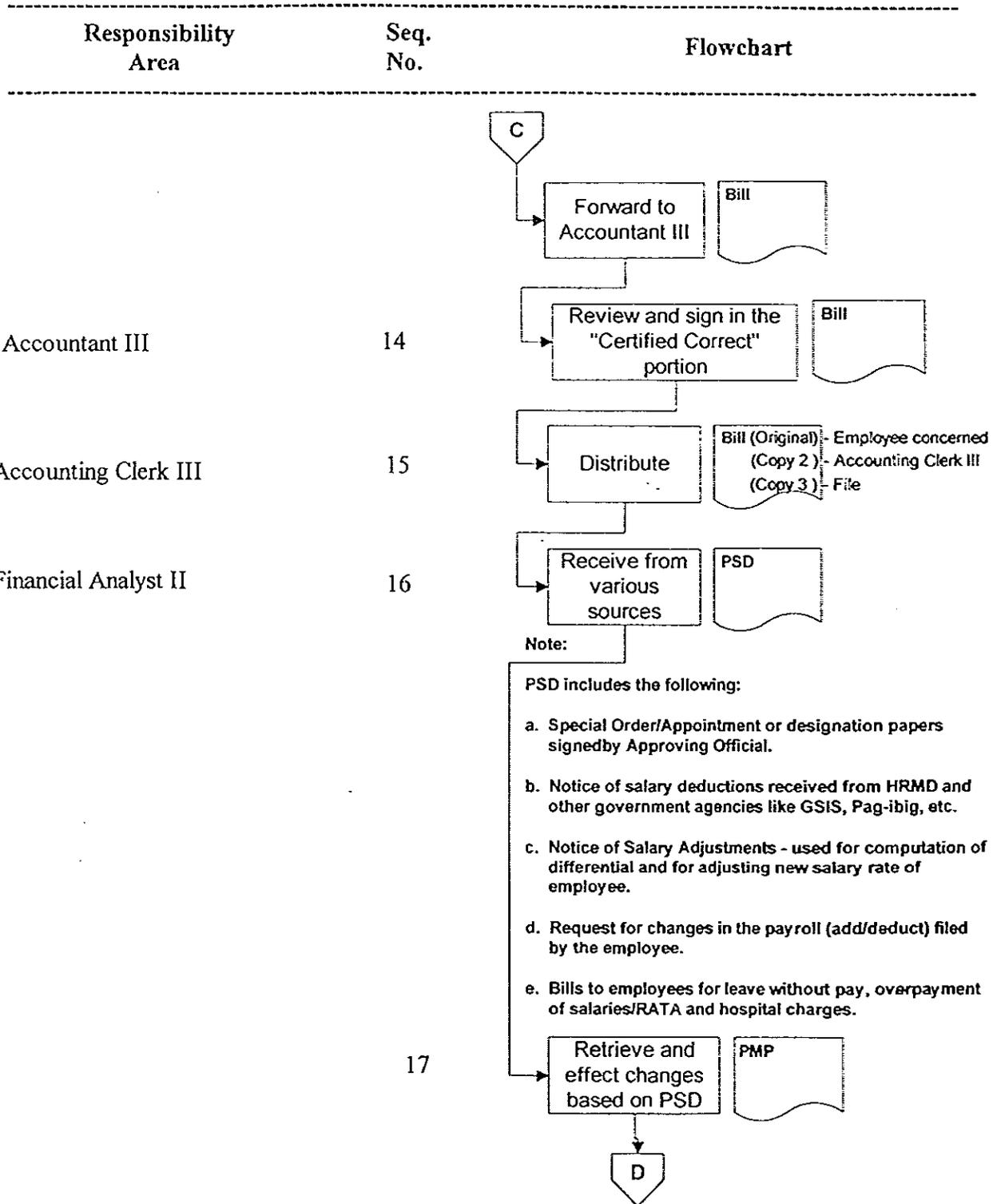


Division Chief, Human Resource Management Division

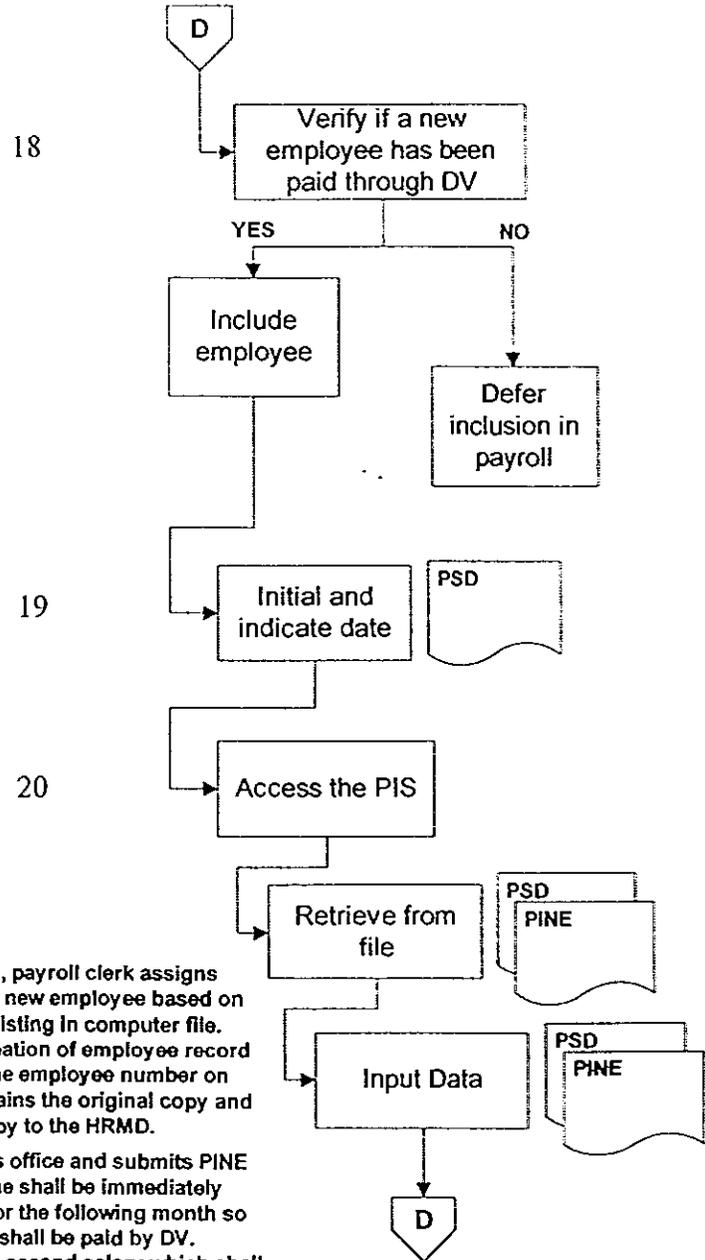
Accounting Division/
Operations Accounting Section

Accounting Clerk III

Accounting Clerk



Responsibility Area	Seq. No.	Flowchart
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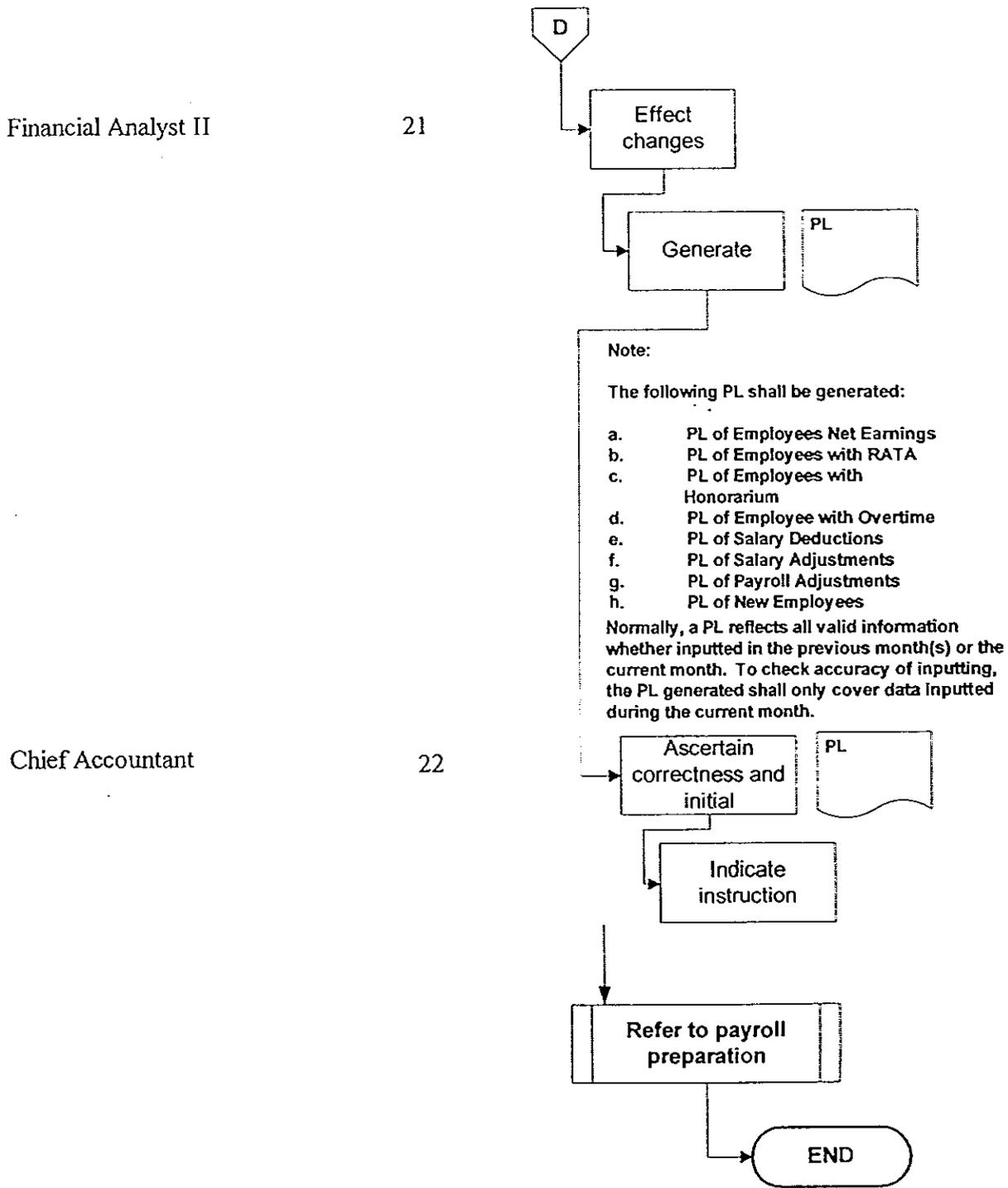


Notes:

Upon receipt of the PINE, payroll clerk assigns employee number to the new employee based on last number assigned existing in computer file. This also constitutes creation of employee record file. He then indicates the employee number on the 2 copies of PINE, retains the original copy and returns the duplicate copy to the HRMD.

If the employee assumes office and submits PINE before the cut-off date, he shall be immediately included in the payroll for the following month so that only his first salary shall be paid by DV. Otherwise, only after his second salary which shall also be paid by DV shall he be included in the computerized payroll.

Responsibility Area	Seq. No.	Flowchart
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SYSTEM NAME: PAYROLL SYSTEM
 FUNCTION NAME: PAYROLL PREPARATION AND PROCESS - GENERATION
 OF PAYROLL AND OTHER RELATED REPORTS.

Responsibility Area	Seq. No.	Activity
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Accounting Division/
 Operations Accounting Section

At the third week of the month.

Financial Analyst II

1

Based on the verified PL, prints/generates
 in three (3) copies the following:

- a. Following month payroll. (FMP)
- b. Other Payroll Related Reports
 (OPRR).
 1. Summary of Payroll by
 Office (SPO)
 2. Various List of Remittances
 (VLR)
 3. Summary of Net Earnings
 (SNE) for bank deposit
 purposes
 4. Pay slip

Note.

The following reports shall also be
 generated by the system:

Monthly.

- a. List of Employees who rendered
 overtime.
- b. Index of payment to Employees

Annually.

- a. Certificate if Income Tax
 withheld
- b. Alphabetical List of employees
 from whom tax are withheld
 (ALETW).

Responsibility Area	Seq. No.	Activity
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Note:

At the end of the year, the ALETW shall be generated ahead of the other reports. This shall reflect the year-end withholding tax adjustments. The Accounting Clerk III shall effect the tax adjustments first before the December payrolls are prepared so that the ALETW that shall be generated by the system reflects zero balance.

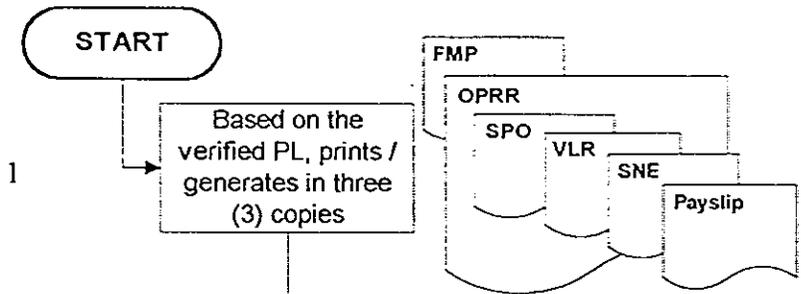
Chief Accountant	2	Verifies the FMP against the corrected/adjusted PMP and initials in the Certified portion of the FMP and forward the FMP and OPRR to the Accountant.
Chief Accountant	3	Verifies OPRR against the FMP. Files temporarily the OPRR and initiates the processing of the FMP.

Responsibility Area	Seq. No.	Flowchart
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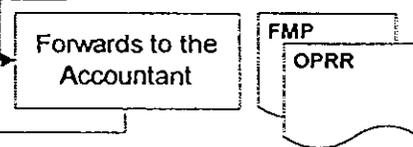
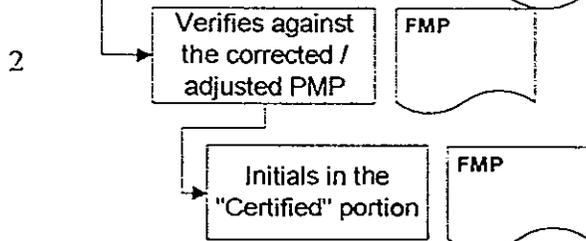
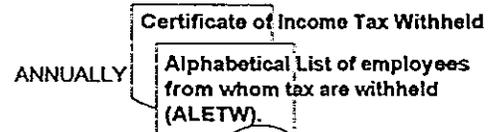
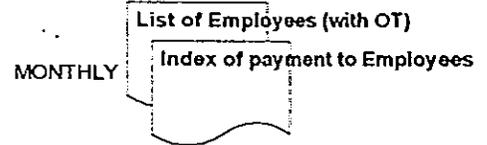
At the Third Week of the Month

Accounting Division/
Operations Accounting
Section

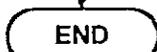
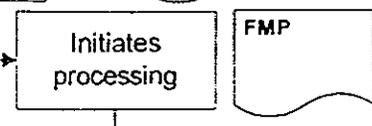
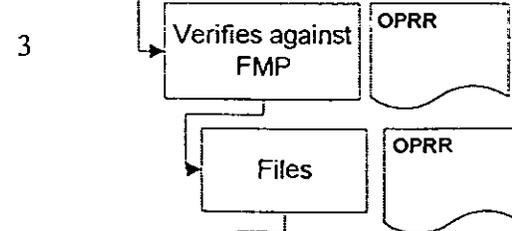
Financial Analyst II



Note : The following reports shall also be generated by the system



Chief Accountant



SYSTEM NAME: PAYROLL SYSTEM
 FUNCTION NAME: PAYROLL PREPARATION AND PROCESS – PREPARATION
 AND APPROVAL OF DISBURSEMENT VOUCHER.

Responsibility Area	Seq. No.	Activity
Accounting Division/ Operations Accounting Section		
Accounting Clerk	1	Based on the Following Month Payroll, prepares Disbursement Voucher (DV) in three (3) copies. Indicates in the DV the particulars and amount of the FMP. Note: Payee of the DV shall be the name of the servicing bank.
	2	Retrieves DV Control Book (DVCB) and assigns DV number based on the last number appearing in the DVCB.
	3	Records the following in the DVCB: DV date and number, name of payee, particulars and amount. Forwards documents to the Financial Analyst II for DV processing.
Financial Analyst II	4	Receives copies 1-3 of DV and FMP. Reviews DV and FMP, indicates accounting entries and signs on the "Journalized by" and "Examined by" portions of the DV. Forwards the DV and FMP to the Chief Accountant. Note: The numbering structure for DV shall follow that in the Narrative Procedure for Processing and Approval of DV. For accounting entries, refer to Part I of the manual, Illustrative Accounting Entries.

Responsibility Area	Seq. No.	Activity
Chief Accountant	5	Verifies the DV and FMP and signs in the "Certified Funds Available" portion of the DV (Box B). Forwards the DV and FMP to the Accounting Clerk for submission of the documents to next signatory
Accounting Clerk	6	Records in the DVCB the date when the DV and FMP shall be released, retains copy 3 of the DV for submission the General Accounting Section for recording of obligation in the books of accounts. Forwards the DV and FMP to the Human Resource Management Division.
		Note:
		Refer to the Narrative Procedures on Recording of Payables in the Books of Accounts.
Administrative Services Department/Human Resource Management Division		
Personnel Clerk	7	Receives copies of the DV and FMP from Accounting Division. Records the documents in the logbook and forwards the same to the Division Chief, HRMD.
Division Chief	8	Reviews the DV and FMP and initials in Box A the DV. Forwards the documents to the Personnel Clerk for submission to the Office of the Department Manager, Administrative Services.
Personnel Clerk	9	Records in the logbook the date when the DV and FMP shall be released and forwards the documents to the Administrative Services Department.

Responsibility Area	Seq. No.	Activity
Administrative Services Department/ Office of the Manager		
Secretary I	10	Receives the DV and FMP by signing in the logbook of the Personnel Division. Records the documents in the logbook and forwards the same to the Department Manager.
Department Manager	11	Reviews DV and FMP and signs Box A of the DV. Forwards the documents to the Secretary for submission to the Office of the Director.
Office of the Director Private Secretary		
	12	Receives the DV and FMP and records the documents in the logbook and forwards the same to the Director.
	13	Signs in Box C of the DV and forwards the documents to the Cash Section for check preparation.

Responsibility Area	Seq. No.	Flowchart
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Accounting Division/
Operations Accounting Section

Accounting Clerk

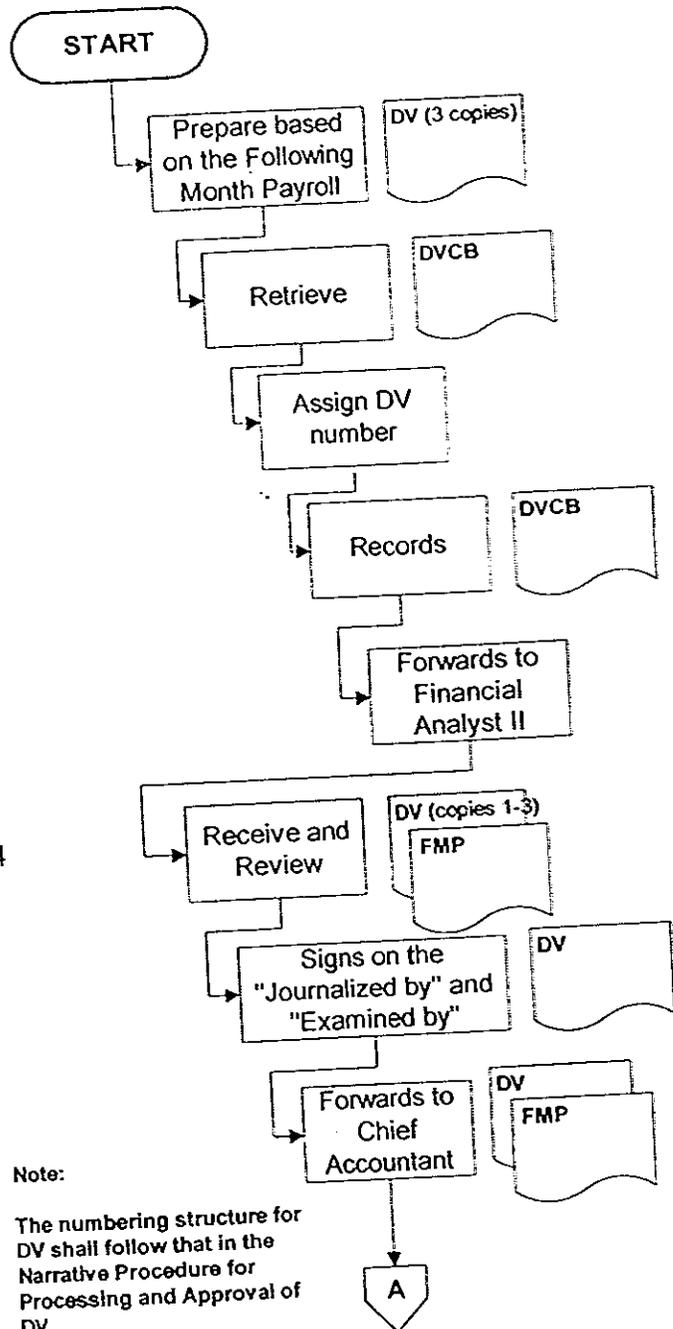
1

2

3

4

Financial Analyst II

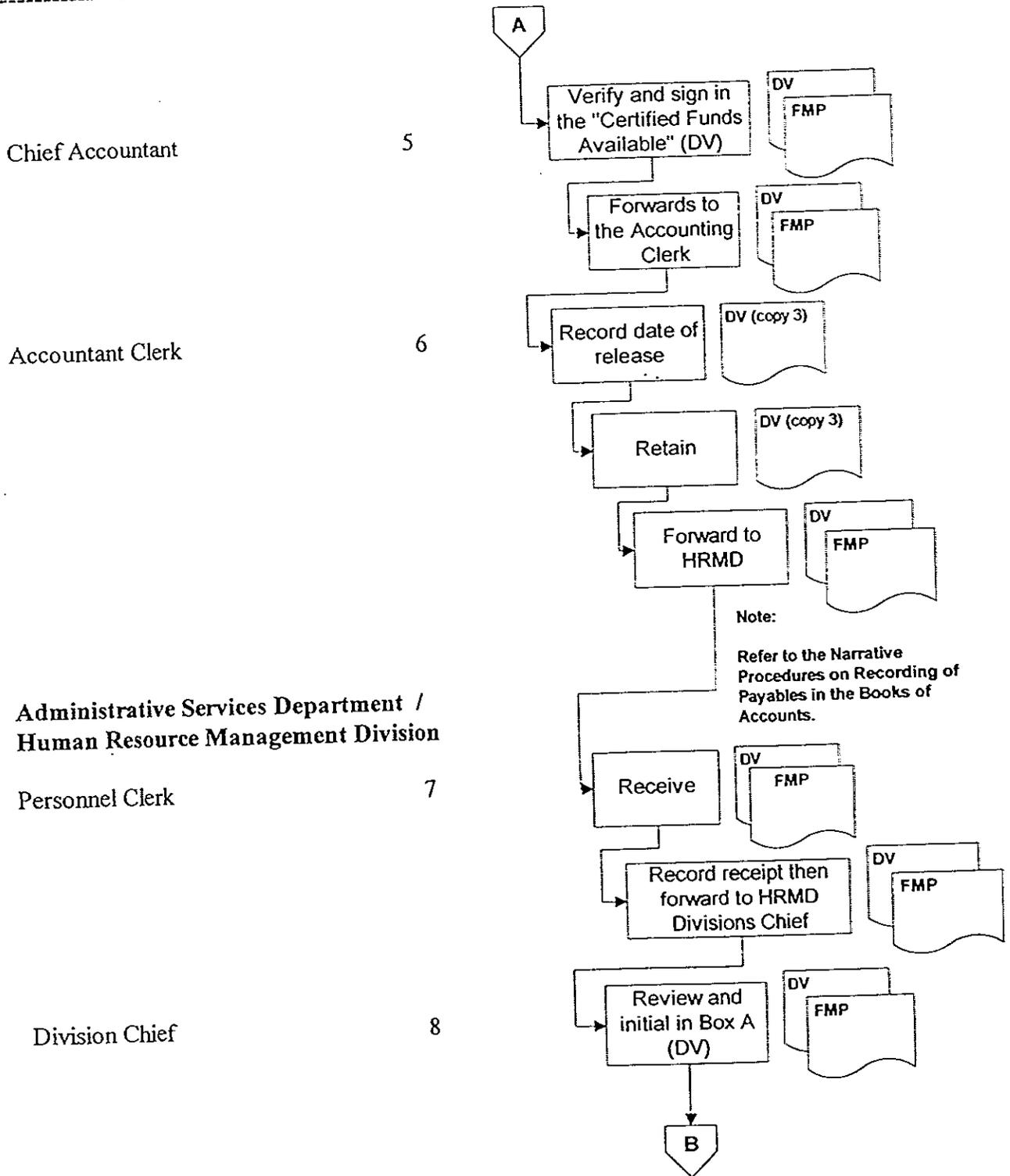


Note:
The numbering structure for DV shall follow that in the Narrative Procedure for Processing and Approval of DV.

For accounting entries, refer to Part I of the manual, Illustrative Accounting Entries.

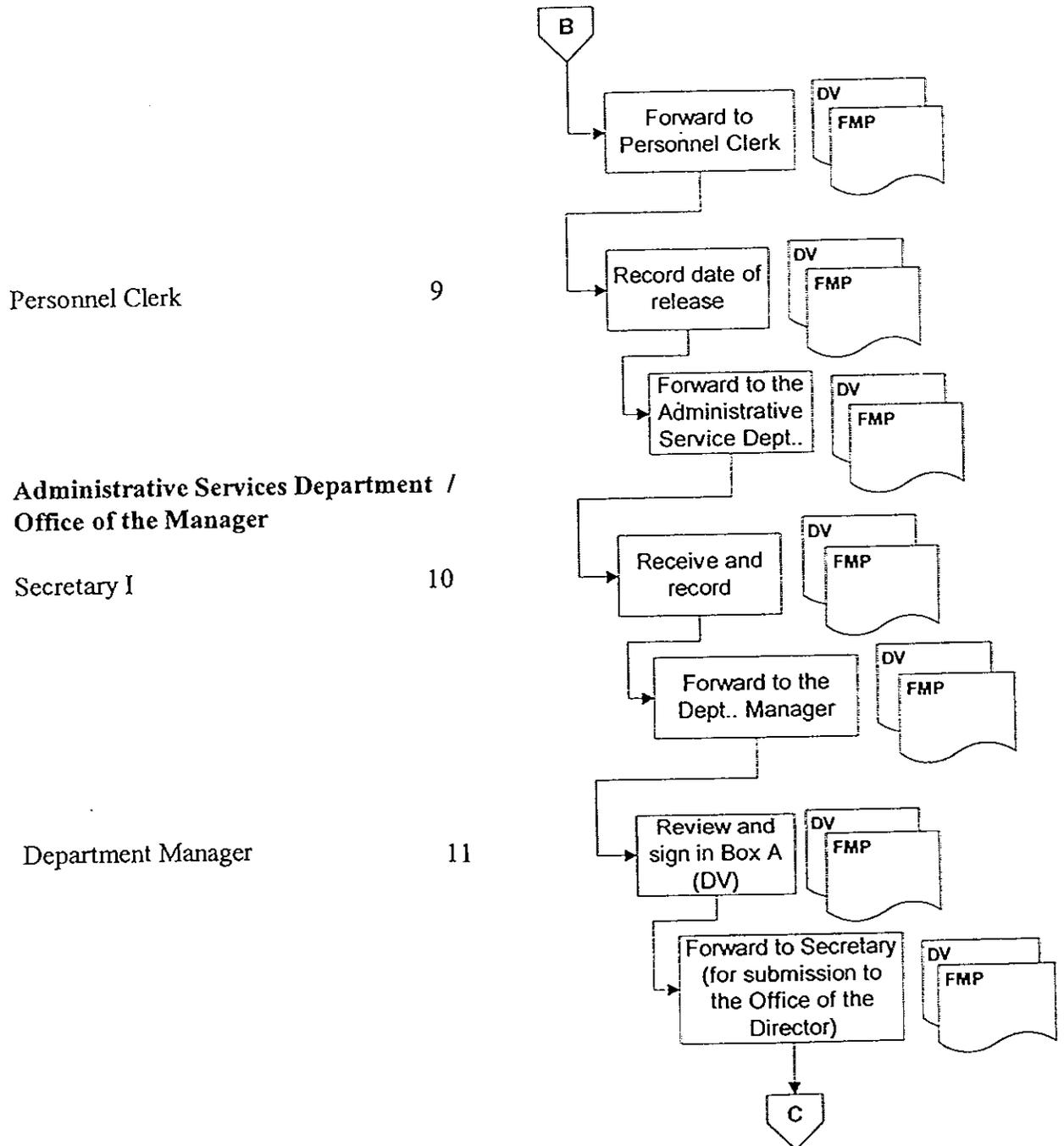
247

Responsibility Area	Seq. No.	Flowchart
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245

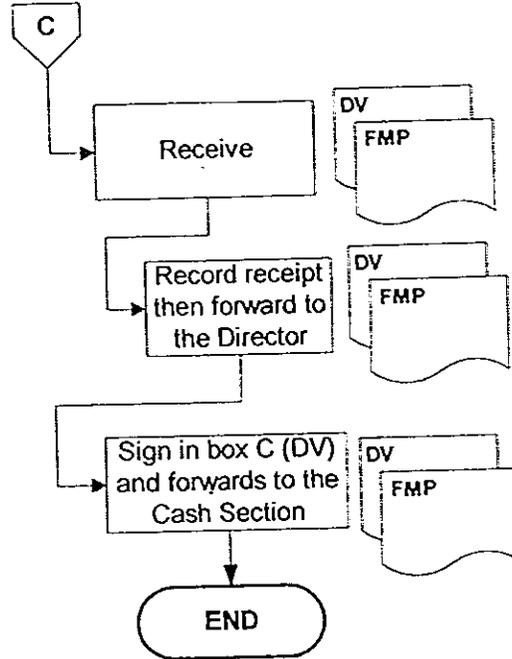
Responsibility Area	Seq. No.	Flowchart
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Responsibility Area	Seq. No.	Flowchart
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Office of the Director /
Private Secretary

12



Director

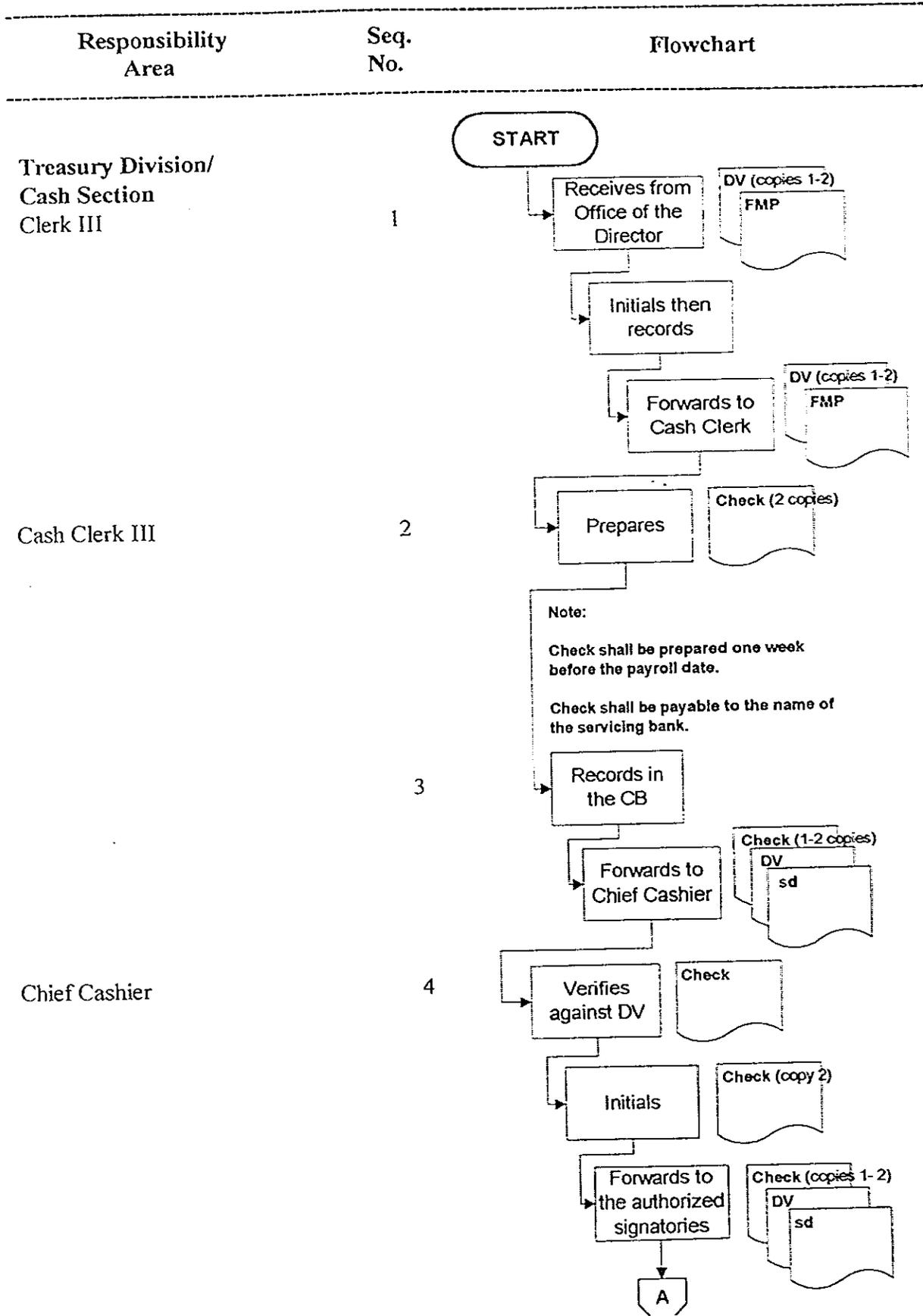
13

SYSTEM NAME: PAYROLL SYSTEM

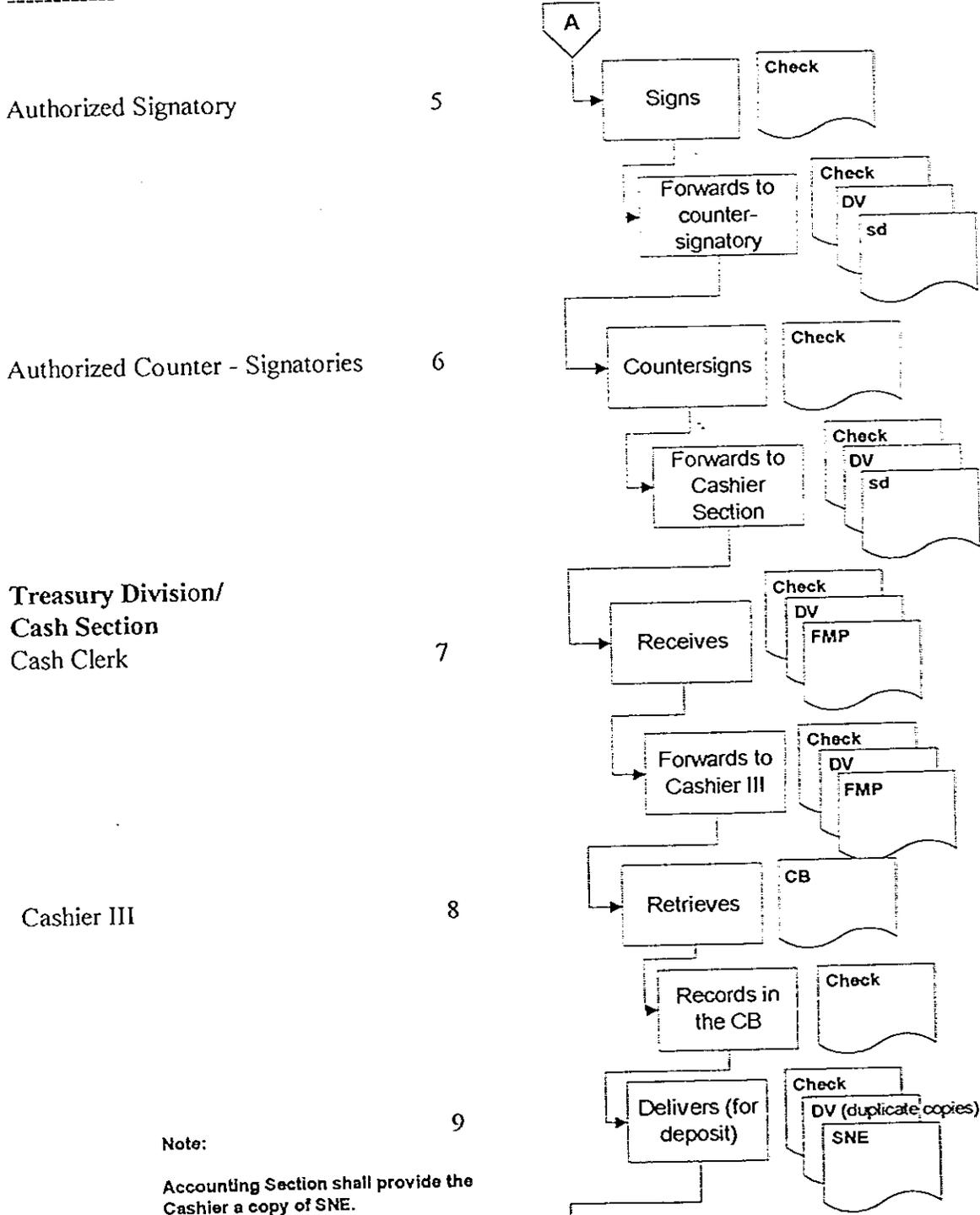
FUNCTION NAME: PREPARATION AND APPROVAL OF PAYROLL CHECK.

Responsibility Area	Seq. No.	Activity
Treasury Division/ Cash Section Clerk III	1	Receives copies 1-2 of DV and FMP from the Office of the Director. Initials and indicates date of receipt on the document and records the same in the logbook (LB). Forwards the documents to Cash Clerk III.
Cash Clerk III	2	Prepares check in two (2) copies. Indicates check number, date, amount and payee in the DV. Note: Check shall be prepared one week before the payroll date. Check shall be payable to the name of the servicing bank.
	3	Records in the Checkbook (CB) information such as date, check number, payee and amount. Forward copies 1-2 of check, DV and supporting documents to Chief Cashier for review.
Chief Cashier	4	Verifies the check against the DV and initial copy 2 of the check. Forwards copies 1-2 of check, DV and supporting documents to the authorized signatories.
Authorized Signatory	5	Signs the check and forwards copies of checks, DV and supporting documents to authorized counter-signatory.
Authorized Counter- Signatories	6	Countersigns the check and forwards copies of check, DV and supporting documents back to the Cash Section.

Responsibility Area	Seq. No.	Activity
Treasury Division/ Cash Section Cash Clerk	7	Receives copies of check, DV and FMP from authorized signatories and forwards the documents to Cashier III.
Cashier III	8	Retrieves CB and records the check released in the CB.
	9	Delivers the check for deposit to employee's individual bank account number together with the duplicate copies of the DV and Summary of Net Earnings (SNE) to the servicing bank.
		Note:
		Accounting Section shall provide the Cashier a copy of SNE.
		The authorized representative of the servicing bank shall acknowledge receipt of the check by signing the original copy of the DV.
	10	File temporarily copies 1-2 of FMP, duplicated copy of the check, copies 1-2 of DV and these shall be submitted Accounting Division for recording. (Refer to the Narrative Procedure on Recording of Payments in the Books of Accounts)



Responsibility Area	Seq. No.	Flowchart
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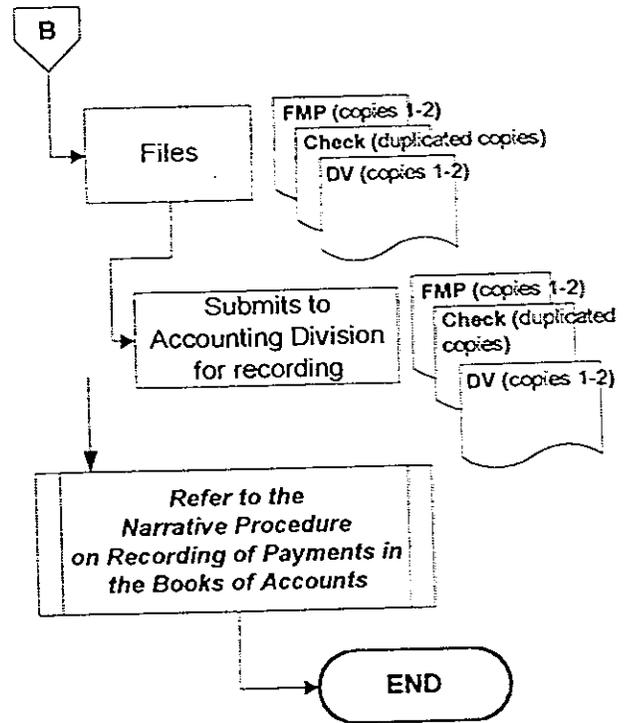
Note:

Accounting Section shall provide the Cashier a copy of SNE.

The authorized representative of the servicing bank shall acknowledge receipt of the check by signing the original copy of the DV.

Responsibility Area	Seq. No.	Flowchart
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10



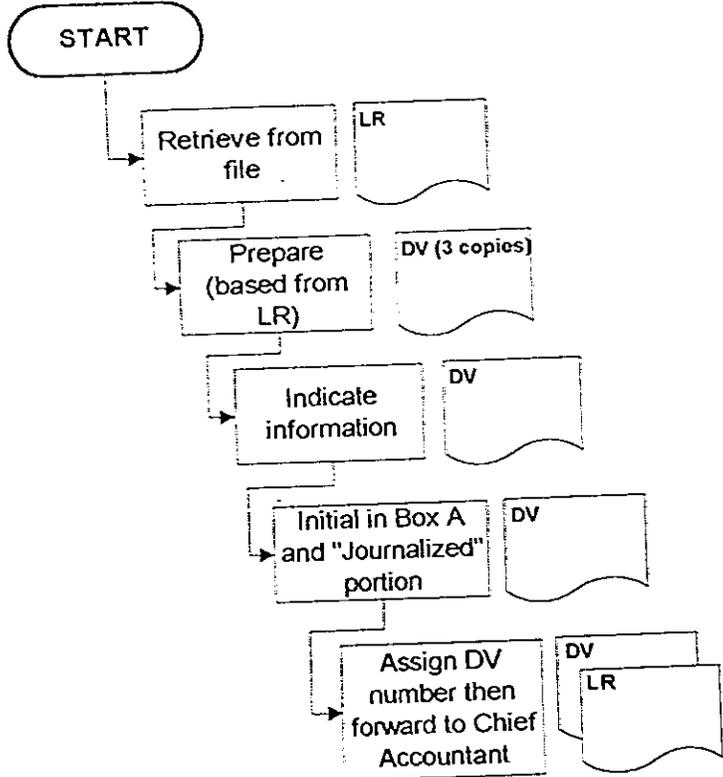
SYSTEM NAME: PAYROLL SYSTEM
 FUNCTION NAME: REMITTANCE OF PAYROLL DEDUCTIONS.

Responsibility Area	Seq. No.	Activity
Accounting Division/ Operations Accounting Section Accountant III	1	Retrieves from files List of Remittance (LR). Based on the LR prepares Disbursement Voucher (DV) in three (3) copies. Indicates in DV the name and address of claimant, particular, amount of the LR and accounting entries. Initials in Box A, and "Journalized" portion of the DV. Assigns DV number and forwards the DV and LR to the Chief Accountant.
Chief Accountant	2	Verifies DV and LR and signs in Box B of the DV. Forwards the DV and LR to the Accounting Clerk for submission of the documents to the next signatory.
Accounting Clerk	3	Records the DV in the logbook and forwards the DV to the Department Manager for approval.
Department of Finance/ Secretary	4	Receives copies 1-2 of DV and LR and records the same in the logbook. Forwards the documents to the Department Manager.
Department Manager	5	Reviews the DV and signs Box A of the DV. Forwards the DV to the Approving Official.
Authorized Signatory	6	Approves DV for payment by signing Box C of the DV.
		(Please refer to the Narrative Procedures on Preparation, Approval and Release of Checks.)

Responsibility Area	Seq. No.	Flowchart
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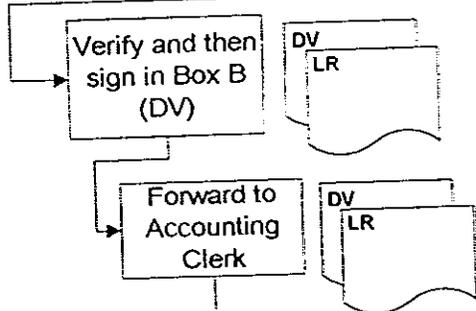
Accounting Division/
Operations Accounting Section
Accountant III

1



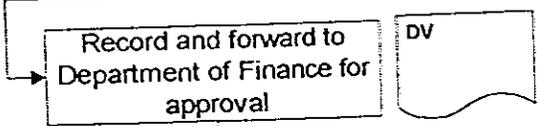
Chief Accountant

2



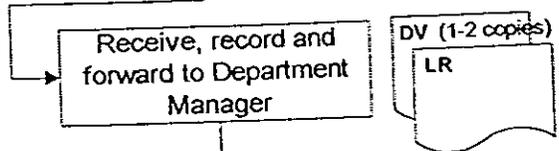
Accounting Clerk

3



Department of Finance
Secretary

4



Responsibility Area	Seq. No.	Flowchart
Department Manager	5	
Authorized Signatory	6	

Note : Refer to the Narrative Procedures on Preparation, Approval and Release of Checks.

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V. INVESTMENT MANAGEMENT SYSTEM

SYSTEM NAME: INVESTMENT SYSTEM
 FUNCTION NAME: INVESTMENT IN TIME DEPOSIT

Responsibility Area	Seq. No.	Activity
		<u>At the end of the day.</u>
Treasury Division/ Investment Section Chief Cashier	1	Based on the daily total collection and disbursement, prepares Daily Cash Position Report in four copies. Signs "Prepared by" portion of the DCPR. Forwards the same to the Division Chief for review and approval.
Division Chief	2	Receives copies 1-4 of the DCPR. Reviews and signs "Certified Correct" portion of the DCPR. Forwards copies 1-3 to Cash Clerk for proper disposition. Files copy 4 of the DCPR.
		Note: Distribution of the DCPR shall be as follows: <ul style="list-style-type: none"> • Director • Manager, Finance Department • Chief Investment Specialist
Investment Section Investment Specialist	3	Receives copy of the DCPR. Reviews the DCPR and determines how much fund is available for investment in Time Deposit (TD).
	4	Canvasses from different authorized depository banks the rate of time deposit. Determines the highest rate.
	5	Based on the result of the canvass, prepares disbursement voucher (DV) in three (3) copies and Abstract of Canvass. Forwards the same to the Chief, Treasury Division.

Responsibility Area	Seq. No.	Activity
Treasury Division/ Division Chief	6	Reviews the documents, and initials in Box A of the DV and forwards copies 1-3 of DV and supporting documents to Accounting Division for processing.
Accounting Division/ Operations Accounting Section Accounting Clerk	7	Receives copies 1-3 of DV and supporting documents. Retrieves DV Control Book (DVCB) and assigns DV number based on the last number appearing in the DVCB.
	8	Records the following in the DVCB: DV date and number, name of payee, particulars and amount. Forwards documents to the Financial Analyst II for DV processing.
Financial Analyst	9	Receives copies 1-3 of DV and supporting documents. Reviews DV and supporting documents, indicate accounting entries and signs on the "Journalized by" and "Examined by" portions of the DV. Forwards the DV to the Chief Accountant.

Note:

The numbering structure for DV shall follow that in the Narrative Procedure for Processing and Approval of DV.

For accounting entries, refer to Part I of the manual, Illustrative Accounting Entries.

Responsibility Area	Seq. No.	Activity
Chief Accountant	10	Verifies the DV and signs in Box B of the DV. Forwards the DV and supporting documents to the Accounting Clerk for submission of the documents to next signatory
Accounting Clerk	11	Records in the DVCB the date when the DV shall be released, retains copy 3 of the DV for submission to the General Accounting Section for file and future reference. Forwards the documents to the Office of the Manager, Finance Department.
Finance Department/ Secretary	12	Receives the DV and supporting documents. Records the documents in the logbook and forwards the same to the Department Manager.
Department Manager	13	Reviews DV and supporting documents and signs Box A of the DV. Forwards the documents to the Secretary for submission to the Office of the Director.
Office of the Director/ Secretary	14	Receives the DV and supporting documents and records the documents in the logbook and forwards the same to the Director.
Director	15	Signs in Box C of the DV and forwards the documents to the Cash Section for check preparation. For check preparation and investment in the books, refer to the Narrative Procedures on Preparation, Approval and Release of check and Recording of Payments in the Books of Accounts

Responsibility Area	Seq. No.	Activity
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Notes:

Upon approval of the check, the Chief Cashier shall forward the check to the authorized bank.

The authorized bank shall issue a Certificate of Time Deposit which shall be kept by the Treasury Section and periodically inventoried by the Accounting Division for control purposes.

A copy of the Certificate of Time Deposit shall be attached to the Disbursement Voucher.

Responsibility Area	Seq. No.	Flowchart
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Treasury Division
Investment Section

Chief Cashier

1

START

At the End of the Day

Prepare based on the totals collection and disbursement

DCPR (4 copies)

Sign in the "Prepared by" then forward to Division Chief

DCPR (4 copies)

Division Chief

2

Receive

DCPR (copies 1-4)

Review and sign in the "Certified Correct"

DCPR

Forwards to Cash Clerk

DCPR (copies 1-3)

File

DCPR (copy 4)

Note:

- Distribution of the DCPR shall be as follows:
- Director
 - Manager, Finance Department
 - Chief Investment Specialist

Investment Section
Investment Specialist

3

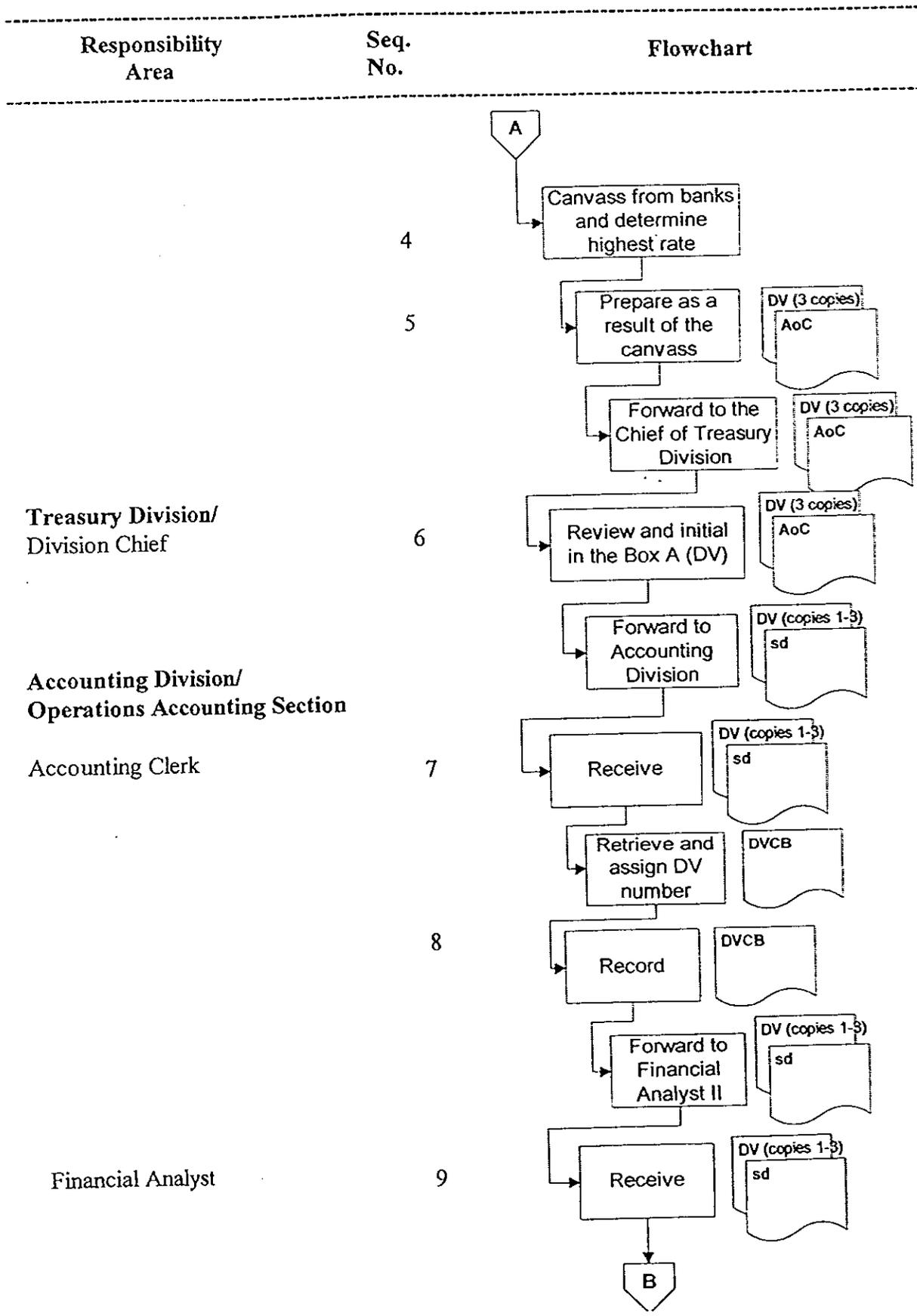
Receive

DCPR

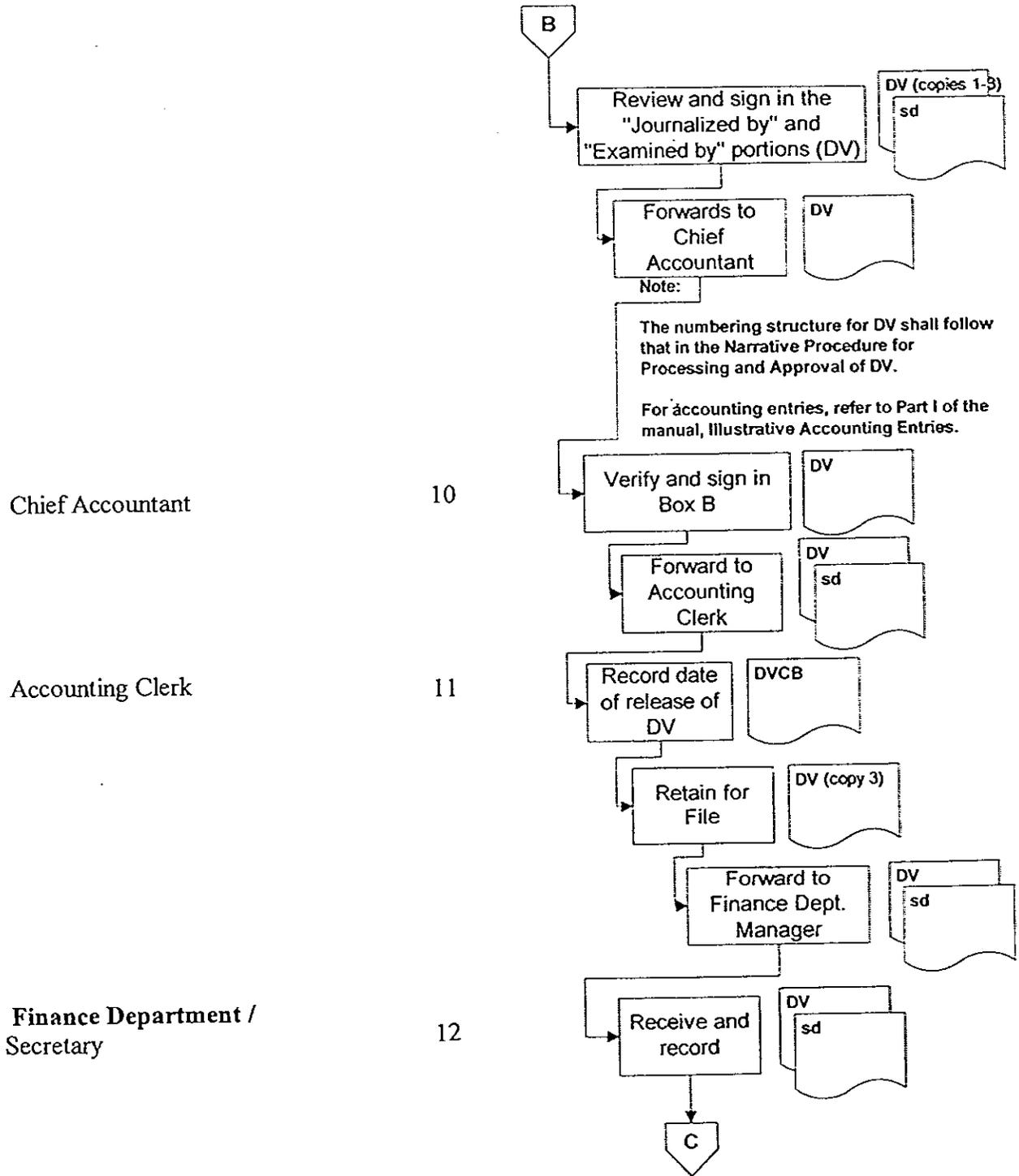
Review and determine available fund

DCPR

A



Responsibility Area	Seq. No.	Flowchart
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Chief Accountant

10

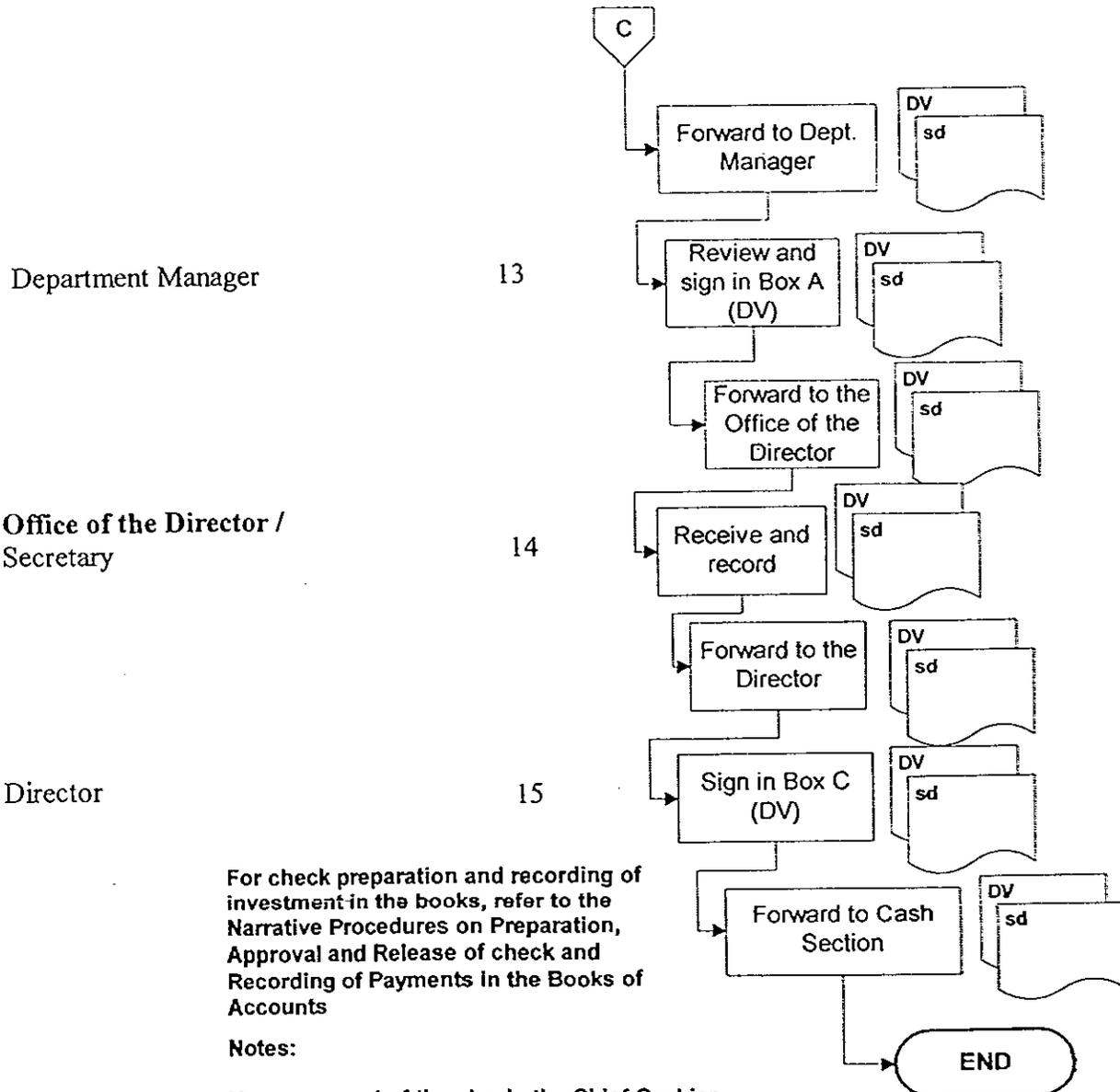
Accounting Clerk

11

Finance Department / Secretary

12

Responsibility Area	Seq. No.	Flowchart
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Department Manager

13

Office of the Director / Secretary

14

Director

15

For check preparation and recording of investment in the books, refer to the Narrative Procedures on Preparation, Approval and Release of check and Recording of Payments In the Books of Accounts

Notes:

Upon approval of the check, the Chief Cashier shall forward the check to the authorized bank.

The authorized bank shall issue a Certificate of Time Deposit which shall be kept by the Treasury Section and periodically inventoried by the Accounting Division for control purposes.

A copy of the Certificate of Time Deposit shall be attached to the Disbursement Voucher.

SYSTEM NAME: INVESTMENT SYSTEM
 FUNCTION NAME: PREPARATION OF SCHEDULE OF TIME DEPOSIT.

Responsibility Area	Seq. No.	Activity
Accounting Division/ General Accounting Section/ Accountant III	1	Retrieves Disbursement Voucher and supporting documents regarding investment in time deposit and posts the same in their individual Investment Index Card (IIC). Signs in the "Indexed by" portion of the DV. Files the DV and supporting documents for future reference.
		<u>Monthly</u>
	2	Retrieves IIC and General Ledger from file and totals IIC. Compares total with GL balance. If not in order, determines discrepancies and prepares the necessary adjustments/corrections. If in order, prepares schedule of Investment in Time Deposit (SITD) in three (3) copies and initials. Forwards copies 1-3 of SITD to the Chief Accountant for signature.
Chief Accountant	3	Signs the "Certified Correct" portion of the SITD and forwards copies 1-3 to Clerk III for distribution.

Notes:

- The SITD shall be distributed as follows:
 Original – COA Auditor
 2nd Copy – Director
 3rd Copy – file
- Monthly, the Accounting and Investment Section shall reconcile investment accounts to ensure accuracy of the presentation of the account in the financial statement.

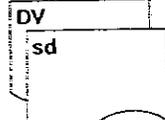
Responsibility Area	Seq. No.	Flowchart
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Accounting Division/
General Accounting Section
Accountant III

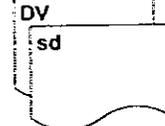
1

START

Retrieve and post in the IIC



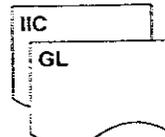
Sign in the "Indexed by" (DV) then file



Monthly

2

Retrieve and total IIC



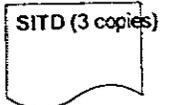
Compare total

not in order

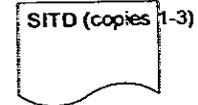
in order

Determine discrepancies and make adjustments

Prepare and initial



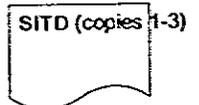
Forward to Chief Accountant



Chief Accountant

3

Sign the "Certified Correct" and forward to Clerk III



END

Notes:

The SITD shall be distributed as follows:
Original - COA Auditor
2nd Copy - Director
3rd Copy - file

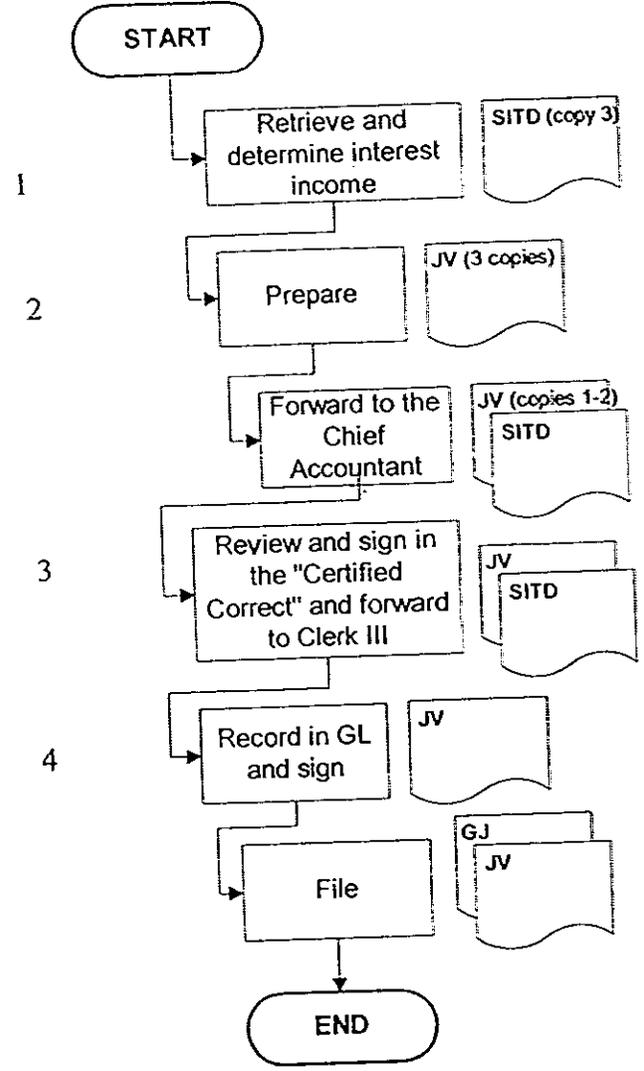
Monthly, the Accounting and Investment Section shall reconcile investment accounts to ensure accuracy of the presentation of the account in the financial statement.

SYSTEM NAME: INVESTMENT SYSTEM
 FUNCTION NAME: RECORDING OF INTEREST INCOME FROM TIME DEPOSIT.

Responsibility Area	Seq. No.	Activity
Finance Department/ Accounting Division/ General Accounting Section/ Accountant III	1	Retrieves from file copy 3 of Schedule of Investment in Time Deposit (SITD) and determines interest income earned for the month.
	2	Prepares JV in three (3) copies to record the interest income earned. Forwards copies 1-2 of JV and SITD to the Chief Accountant for review.
Chief Accountant	3	Reviews JV and signs in the "Certified Correct" portion of the JV and forwards the same together with the SITD to the Bookkeeper for recording in the books.
Bookkeeper	4	Records the JV in the General Journal (GJ) and signs in the JV to signify recording in the GJ. Files GJ and JV temporarily.

Responsibility Area	Seq. No.	Flowchart
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Department of Finance /
Accounting Division /
General Accounting Section
Accountant III



Chief Accountant

Bookkeeper

SYSTEM NAME: INVESTMENT SYSTEM
 FUNCTION NAME: INVESTMENT IN MARKETABLE SECURITIES

Responsibility Area	Seq. No.	Activity
Treasury Division/ Investment Section Investment Specialist	1	<p>Based on the Daily Cash Position Report (DCPR), obtains supporting documents for the purchase of marketable securities and prepares disbursement voucher (DV) in three (3) copies. Forwards the DV, DCPR and supporting documents to the Division Chief for review.</p> <p>Note:</p> <p>DCPR shall be prepared by the Chief Cashier in three copies to be used as the basis of the Investment Specialist in determining how much fund is available for investment and type of investment to be used.</p> <p>Supporting documents shall include:</p> <ul style="list-style-type: none"> o Application to subscribe to Preemptive Rights and/or o Application to Purchase Marketable Securities, etc. <p>(Forms shall be supplied by Investment Dealers)</p>
Division Chief	2	<p>Reviews the documents and initials in Box A of the DV and forwards the same to the Accounting Division for processing.</p>
Accounting Division/ Operations Accounting Section Accounting Clerk	3	<p>Receives copies 1-3 of DV and supporting documents. Retrieves DV Control Book (DVCB) and assigns DV number based on the last number appearing in the DVCB.</p>

Responsibility Area	Seq. No.	Activity
Accounting Clerk	4	Records the following in the DVCB: DV date and number, name of payee, particulars and amount. Forwards documents to the Financial Analyst II for DV processing.
Financial Analyst II	5	Receives copies 1-3 of DV and supporting documents. Reviews DV and supporting documents, indicates accounting entries and signs on the "Journalized by" and "Examined by" portions of the DV. Forwards the DV to the Chief Accountant.
		<p>Note:</p> <p>The numbering structure for DV shall follow that in the Narrative Procedure for Processing and Approval of DV.</p> <p>For accounting entries, refer to Part I of the manual, Illustrative Accounting Entries.</p>
Chief Accountant	6	Verifies the DV and signs in Box B of the DV. Forwards the DV and supporting documents to the Accounting Clerk for submission of the documents to next signatory.
Accounting Clerk	7	Records in the DVCB the date when the DV shall be released, retains copy 3 of the DV for submission to the General Accounting Section for file and future reference. Forwards the documents to the Office of the Manager, Finance Department.

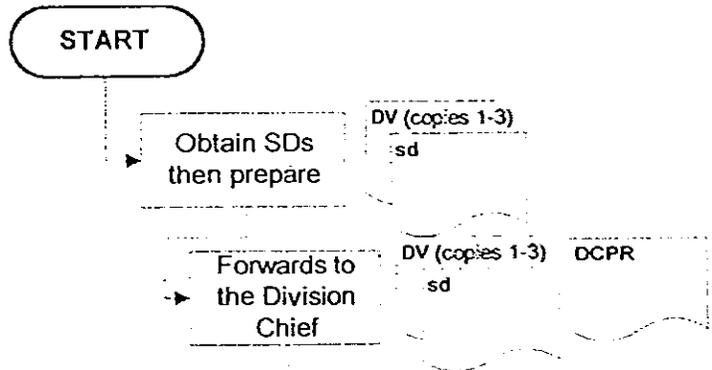
Responsibility Area	Seq. No.	Activity
Finance Department/ Secretary	8	Receives the DV and supporting documents. Records the documents in the logbook and forwards the same to the Department Manager.
Department Manager	9	Reviews DV and supporting documents and signs Box A of the DV. Forwards the documents to the Secretary for submission to the Office of the Director.
Office of the Director/ Secretary	10	Receives the DV and supporting documents and records the documents in the logbook and forwards the same to the Director.
Director	11	Signs in Box C of the DV and forwards the documents to Cash Section for check preparation.
Treasury Division/ Cash Section Clerk	12	Records the following information in the logbook: DV date, payee, amount, particular. Forwards copy 3 of the DV to the Investment Specialist for recording of investment in the Investment Index Card (IIC).
		Note: For check preparation and recording investment in the books, refer to the Narrative Procedures on Preparation, Approval and Release of check and Recording of Payments in the Books of Accounts.

Responsibility Area	Seq. No.	Activity
		Upon approval of the check, Chief, Investment Section shall purchase the MS. Forwards the MS to the Chief, Treasury Division for safekeeping.
Investment Specialist	13	Records copy 3 of DV, in the IIC.
		<u>At the end of the Month.</u>
	14	Prepares Monthly Report of Investments (MRI) in two copies, signs in the "Prepared by" portion of the report. Forwards MRI to the Section Chief for review.
Section Chief	15	Reviews the MRI and signs in the "Reviewed by" portion of the report. Forwards the same to the Division Chief for signature of the "Certified Correct" portion of the report.
Division Chief	16	Signs in the "Certified Correct" portion of the report and forwards the same to the clerk for distribution.
Clerk	17	Records the MRI in the logbook and distributes as follows: Copy 1 - Accounting Division Copy 2 - File

Responsibility Area	Seq. No.	Flowchart
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Treasury Division/
Investment Section
Investment Specialist

1



Note:

DCPR shall be prepared by the Chief Cashier in three copies to be used as the basis of the Investment Specialist in determining how much fund is available for investment and type of investment to be used.

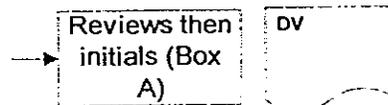
Supporting documents shall include:

- Application to subscribe to Preemptive Rights and/or
- Application to Purchase Marketable Securities, etc.

(Forms shall be supplied by Investment Dealers)

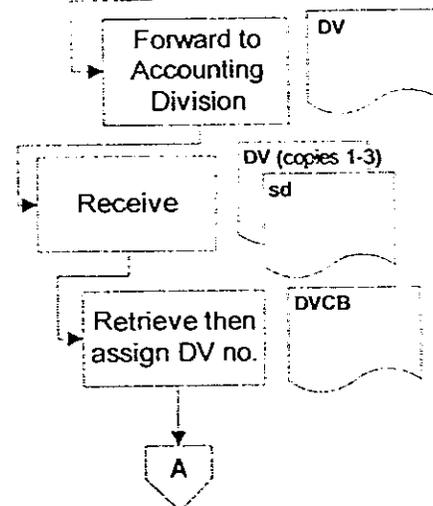
Division Chief

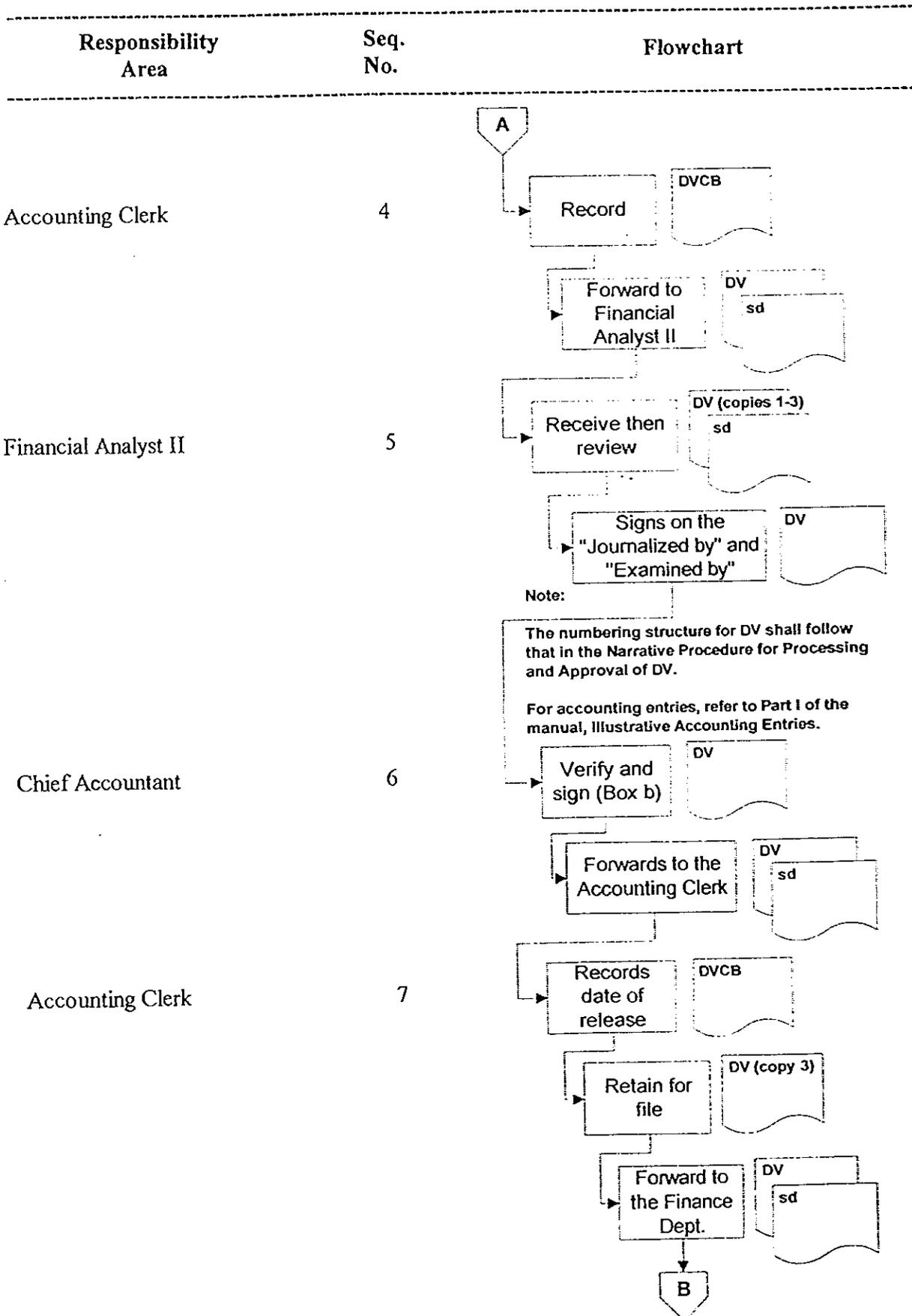
2

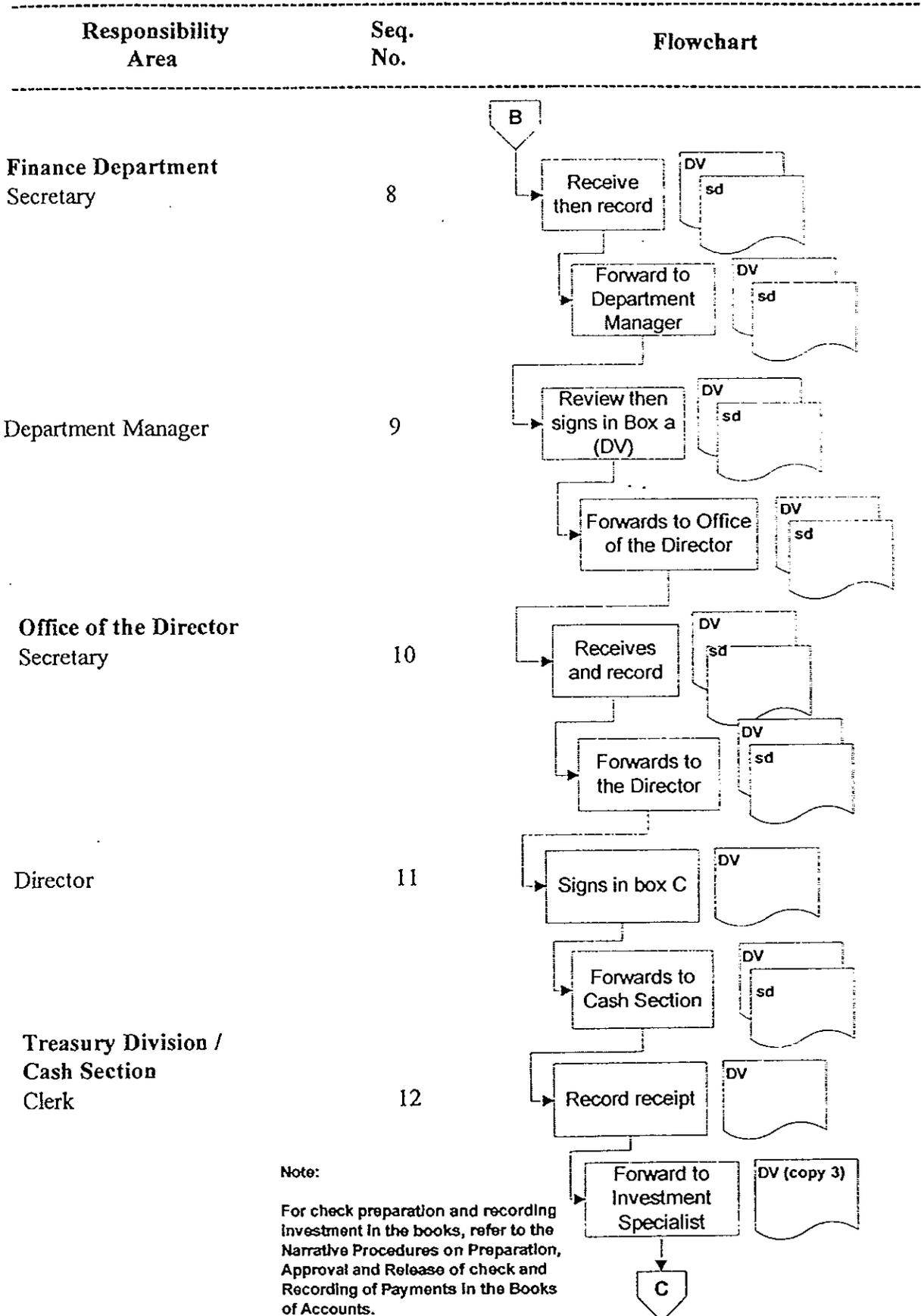


Accounting Division
Operations Accounting Section
Accounting Clerk

3

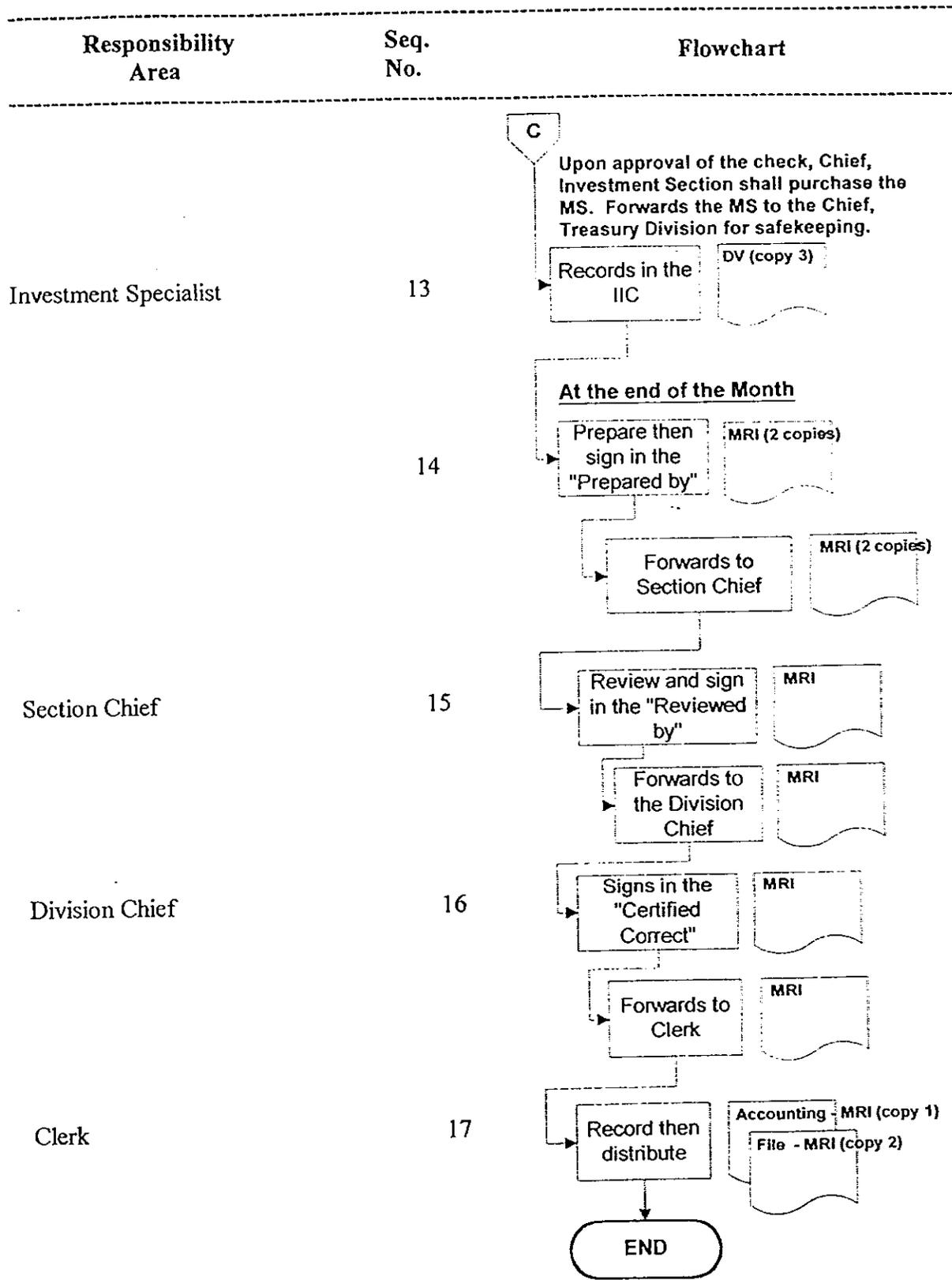






Note:
 For check preparation and recording investment in the books, refer to the Narrative Procedures on Preparation, Approval and Release of check and Recording of Payments in the Books of Accounts.

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VI. FINANCIAL REPORTING SYSTEM

SYSTEM NAME: FINANCIAL REPORTING SYSTEM
 FUNCTION NAME: PREPARATION OF FINANCIAL STATEMENTS AND
 SUPPORTING SCHEDULES.

Responsibility Area	Seq. No.	Activity
Finance Department/ Accounting Division/ General Accounting Section		
<u>Monthly/Quarterly/Annually</u>		
Accountant III	1	Retrieves from file Books of Original Entries (BOE) and posts the recapitulation entries in the General Ledger (GL). Files the BOE temporarily.
Note:		
The BOE consist of the following:		
<ul style="list-style-type: none"> ○ Journal of Checks Issued (JCI) ○ Voucher Register (VR) ○ General Journal (GJ) ○ Journal of Collection and Deposit (JCD) ○ Journal of Bills Rendered (JBR) 		
	2	Retrieves subsidiary ledgers (SL) from file. Reconciles individual account balances with the GL.
	3	If not reconciled, determines discrepancies and makes the corrections/adjustments.
	4	If reconciled, prepares supporting schedules.
Note:		
Supporting Schedules shall consist of the following:		
<ul style="list-style-type: none"> ○ Schedule of Cash ○ Schedule of Receivables 		

Responsibility Area	Seq. No.	Activity
		Cont. Supporting Schedules
		<ul style="list-style-type: none"> ○ Schedule of Cash Advances ○ Schedule of Short-term Investments ○ Prepaid Expenses ○ Fixed Assets ○ Schedule of Accounts Payable ○ Schedule of Patients' Deposit ○ Schedule of Trust Funds
Accountant III	5	Checks correctness of totals of the supporting schedules.
	6	Prepares Trial Balance (TB) in two (2) copies.
		Note:
		At year-end, there shall be two (2) TB prepared: the Preliminary TB and final TB.
	7	Based on the TB, prepares financial statements (FS) in five (5) copies and initials Certified Correct portion of the TB and FS.
		Note:
		FS shall consist of the following:
		<ul style="list-style-type: none"> ○ Balance Sheet ○ Income Statement ○ Statement of Cash Flows
	8	Prepares memorandum for the Director regarding the submission of the FS and related schedules and transmittal letter. Initials on the memorandum.

Responsibility Area	Seq. No.	Activity
Accountant III	9	Forwards the memorandum, transmittal letter, TB, FS and related schedules to the Chief Accountant for review and signature
Chief Accountant	10	Reviews the memorandum, transmittal letter, TB, FS and schedules and signs on the "Certified Correct" portion of the TB and FS. Initials in the memorandum and transmittal letter and forwards them to the Manager, Finance Department for signature.
Department Manager	11	Signs the memorandum and initials the transmittal letter and forwards the documents to Secretary for recording in the logbook and Submission to the Office of the Director.
Office of the Director/ Private Secretary	12	Receives copies of memorandum, transmittal letter, TB, FS and supporting schedules from Finance Department. Records the documents in the logbook. Submits the documents to the Director for signature.
Director	13	Signs the transmittal letter and returns copies together with copies of memorandum, FS, TB and supporting schedules to the Private Secretary for recording in the logbook.
Private Secretary	14	Records release of the documents in the logbook and forwards the documents to the Finance Department.

Responsibility Area	Seq. No.	Activity
Finance Department/ Accounting Division Clerk	15	<p>Receives copies of the transmittal letter, memorandum, TB, FS and supporting schedules from the Office of the Director and records details of the documents. Distribute copies of the documents as follows:</p> <ul style="list-style-type: none"> Copy 1 – COA Resident Auditor with copy I of the TB. Copy 2 – Department of Budget and Management Copy 3 – Director Copy 4 – Finance Department Copy 5 – Accounting Division file

Notes:

The Chief Accountant shall prepare comparative Income Statement, Balance Sheet and Statement of Cash Flows to be reported in Management Committee meetings every month by the Finance Manager.

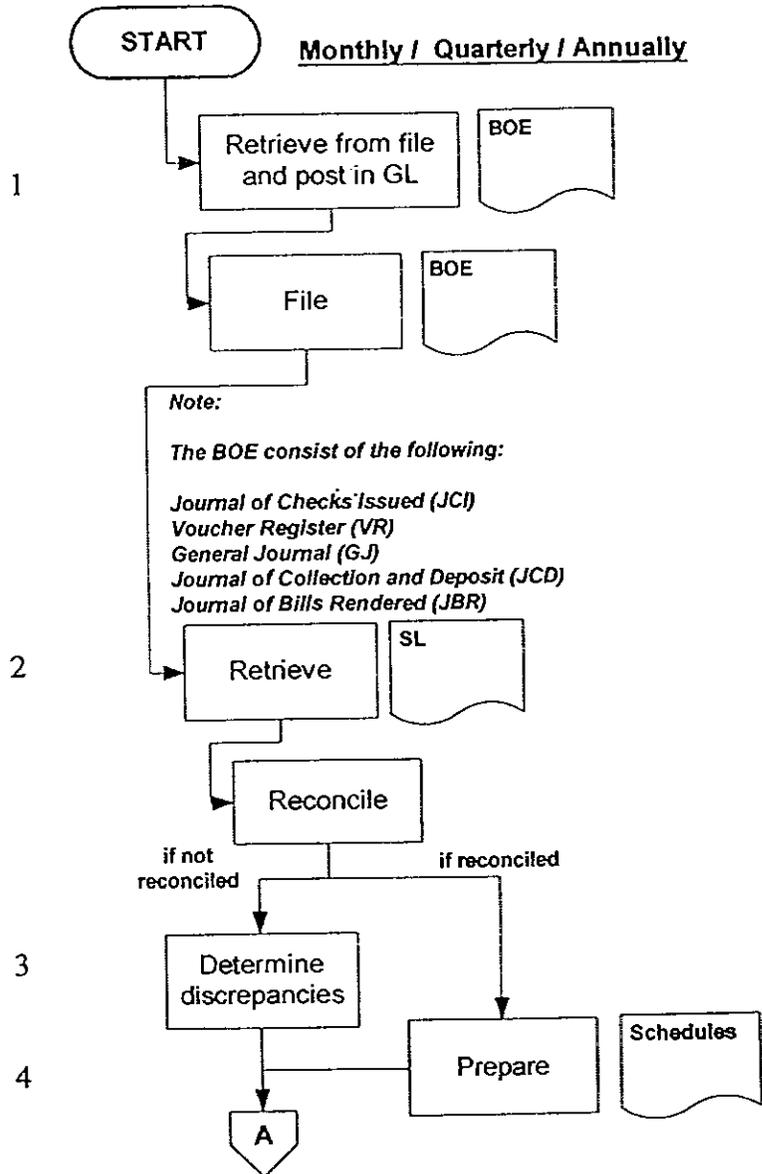
The report shall also includes:

- Report of Aging of Receivables
- Accounts Receivable Summary Report
- Days of Service Uncollected Report
- Monthly Inventory Turnover Report
- Ratio Analysis
 - Current Ratio
 - Debt Ratio
 - Return on investment

The report shall also include explanatory comments designed to direct attention to important items and to interpret the significance and meaning of these items.

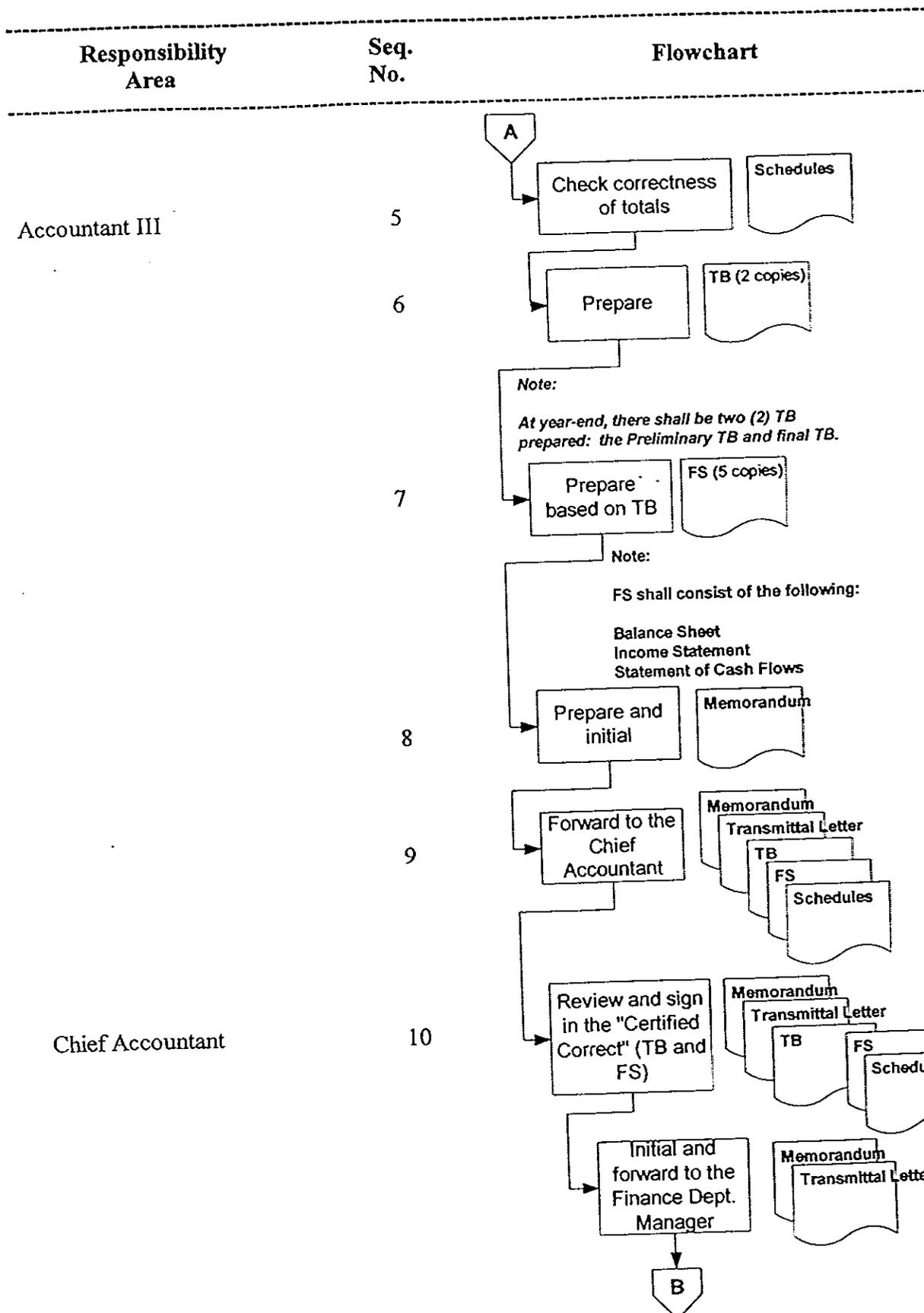
Responsibility Area	Seq. No.	Flowchart
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Department of Finance /
Accounting Division /
General Accounting Section
Accountant III

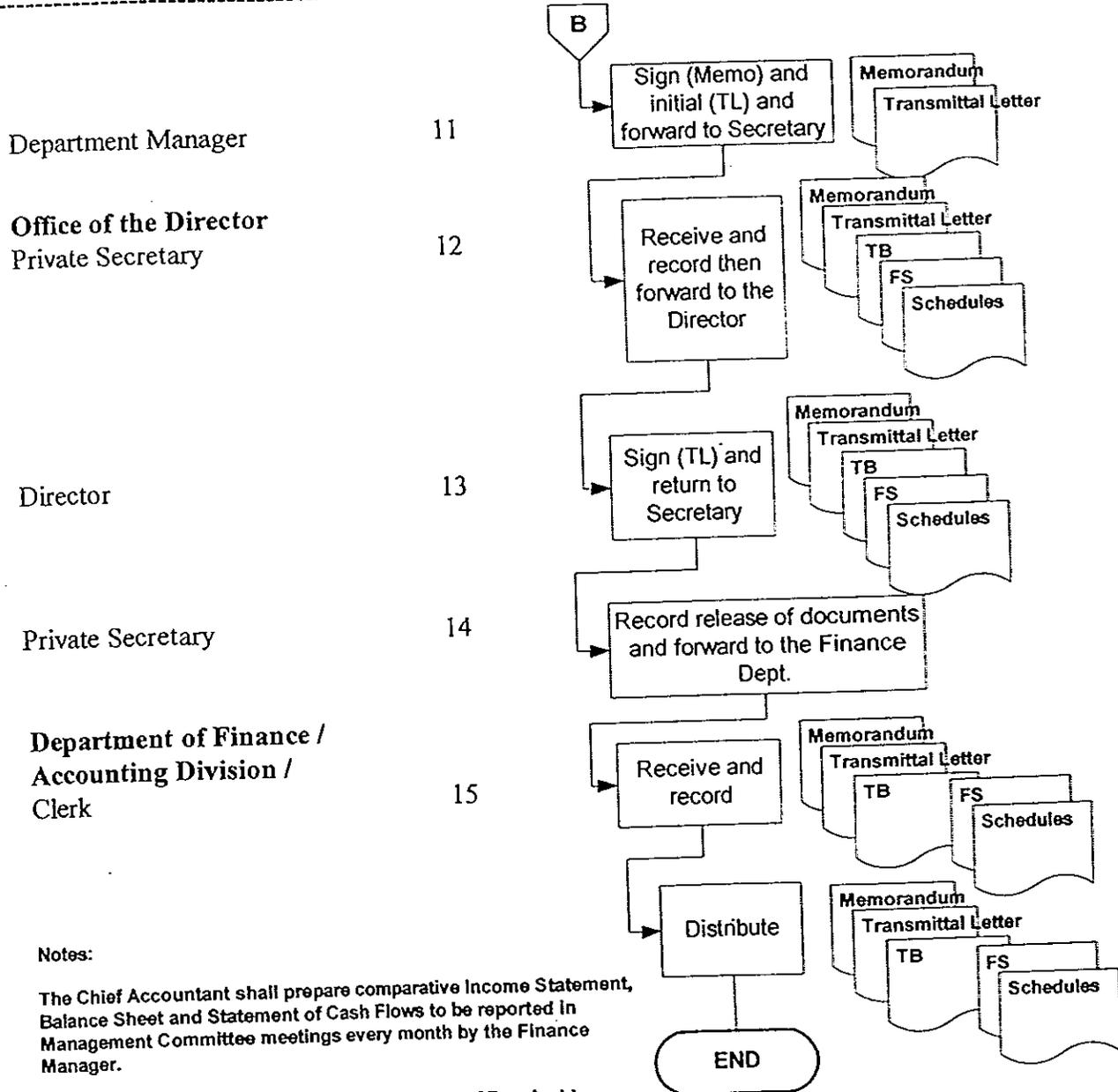


Supporting Schedules shall consist of the following:

- Schedule of Cash
- Schedule of Receivables
- Schedule of Cash Advances
- Schedule of Short-term Investments
- Prepaid Expenses
- Fixed Assets
- Schedule of Accounts Payable
- Schedule of Patients' Deposit
- Schedule of Trust Funds



Responsibility Area	Seq. No.	Flowchart
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Notes:

The Chief Accountant shall prepare comparative Income Statement, Balance Sheet and Statement of Cash Flows to be reported in Management Committee meetings every month by the Finance Manager.

The report shall also include - Report of Aging of Receivables, Accounts Receivable Summary Report, Days of Service Uncollected Report, Monthly Inventory Turnover Report, Ratio Analysis, Current Ratio Debt Ratio, Return on investment

The report shall also include explanatory comments designed to direct attention to important items and to interpret the significance and meaning of these items

Distribute copies of the documents as follows:

- Copy 1 - COA Resident Auditor with copy 1 of the TB.
- Copy 2 - Department of Budget and Management
- Copy 3 - Director
- Copy 4 - Finance Department
- Copy 5 - Accounting Division file