

25- SOP For Temporary Advances

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This policy shall cover all types of advances made to employees for specific purposes like stationery, T&P item, repair & maintenance. Services and training purposes etc.

Basic Procedure and Guidelines

- 1) Requests for temporary advances shall be submitted by the person seeking advance in writing. The following information shall be provided.
 - i) **The amount requested.**
 - ii) **Purpose of the advance.**
 - iii) **Length of time the advance shall be needed**
 - iv) **Signatures of the receipt.**
- 2) The advances shall be issued for DISCOs related business activities.
- 3) All advances shall be initially charged to concerned DISCOs receivable account.
- 4) The individual receiving the advance shall be liable for any loss of a cash advance.
- 5) Unused advances shall be returned to the Accounts Section immediately after the activity completion.
- 6) Advances for approved purchases shall be given to authorized personnel accounting of which shall be completed at the time of payment.
- 7) In case the actual amount spent is excess, it will be reimbursed subject to approval of the DDO.
- 8) Next / another advance will not be issued prior to adjustment of the previous advance.
- 9) The maximum endeavor should be made to adjust the advance within the same month in which the advance is being issued. Moreover adjustment of the advance should be made within a period not exceeding the 30-days strictly.

PROCEDURE OF ADJUSTMENT

After completing the job / work done through advances the recipient of Temporary Advance will submit the adjustment supported by original cash memo / documents. The same will be approved and passed under all departmental rules / policies in the light of

delegation of financial powers. It will be ensured that the adjustment of advance will be made as soon as the job completed.

Journal Entries.

1. On issuance of Temporary Advances to Employees, the following entry is posted by the Payment Section of Finance Directorate / Accounts Section of the Concerned Accounting Unit.

Description	Debit	Credit
--- Accounts Receivables – Other	***	
--- Bank – Imprest Account		***

2. If amount of expense exceeds the amount of Temporary Advance, the following entry is posted by the Payment Section of Finance Directorate / Accounts Section of the Concerned Accounting Unit.

Description	Debit	Credit
Relevant Expense	***	
Accounts Receivable – Other		***
Bank – Imprest Account		***

3. If amount of expense is less than the amount of Temporary Advance, the following entries are required to be posted.

- a) On deposit of excess amount of Temporary Advance into Imprest Bank Account, the following entry is posted by Payment Section of Finance Directorate / Accounts Section of concerned Accounting Unit.

Description	Debit	Credit
Bank – Imprest Account	***	
Refund Clearing Account		***

- b) On adjustment of expense against Temporary Advance, the following entry is posted by the Payment Section of Finance Directorate / Accounts Section of concerned Accounting Unit.

Description	Debit	Credit
Relevant Expense	***	
Refund Clearing Account	***	
Accounts Receivable – Other		***

4. If an amount of expense equals the amount of Temporary Advances, the following entry is posted by Payment Section of Finance Directorate / Accounts Section of concerned Accounting Unit.

Description	Debit	Credit
Relevant Expense	***	
Accounts Receivable – Other		***