PROGRAM TITLE

ADMIN

PROCESS TITLE

Building Upkeep

1. SCOPE

This policies and procedures manual establishes policies, systems, procedures and controls on the Building Upkeep. All duties and responsibilities stated in this manual are not exclusive to the personnel’s designated responsibilities in this process title.

1. OBJECTIVES

* To ensure that Company buildings are properly maintained and secured;
* To clearly define the duties and responsibilities of all personnel involved in this process title.

1. PERSONNEL INVOLVED
   1. Maintenance Staff
2. Checks the building and fills-out the Building Maintenance Checklist (BMC).
3. Forwards:
   * One (1) copy of duly filled-out BMC to Admin Supervisor for verification;
   * Three (3) copies of duly filled-out Request for Building Repairs and Maintenance (RBRM) to Admin Supervisor for verification and inspection of building;
   * One (1) copy of duly completed RBRM to Accounting Department.
4. Receives one (1) copy of duly noted BMC from Admin Manager.
5. Initiates/Receives requisition for repairs and maintenance.
6. Fills-out three (3) copies of RBRM.
7. Starts the repair and maintenance. After completion of repair and maintenance, signs the “completed by” portion of RBRM.
8. Files chronologically the following:
   * One (1) copy of duly noted BMC;
   * One (1) copy of duly completed RBRM.
   1. Admin Supervisor
9. Receives:
   * One (1) copy of duly filled-out BMC from Maintenance Staff and verifies the same;
   * Three (3) copies of duly filled-out RBRM from Maintenance Staff;
10. Forwards:
    * One (1) copy of duly filled-out and verified BMC to Admin Manager for notification;
    * Three (3) copies of duly filled-out, verified and inspected RBRM to Admin Manager for approval.

1. Inspects the building and verifies three (3) copies of duly filled-out RBRM.
   1. Admin Manager
2. Receives:
   * One (1) copy of duly filled-out and verified BMC from Admin Supervisor and notifies the same;
   * Three copies of duly filled-out, and verified and inspected RBRM and approves the same;
3. Forwards one (1) copy of duly noted BMC to Maintenance Staff for filing;
4. ACCOUNTS

| **Account Code** | **Account Title** | **Account Description** |
| --- | --- | --- |
|  |  |  |
| 000-00-00-000-0000-1101-1000 | Petty Cash Fund | Cash and Cash Equivalents |
| 000-00-00-000-0000-1101-1030 | Revolving Fund | Cash and Cash Equivalents |
| 000-00-00-000-0000-1101-1040 | Cash on hand | Cash and Cash Equivalents |
| 000-00-00-000-0000-1101-1050 | Cash In Bank | Cash and Cash Equivalents |
| 000-00-00-000-0000-1211-1604 | Building | Property, Plant and Equipment |
| 000-00-00-000-0000-1211-1605 | Building Improvements | Property, Plant and Equipment |
| 000-00-00-000-0000-1211-1704 | Accumulated Depreciation-Building | Property, Plant and Equipment |
| 000-00-00-000-0000-1211-1705 | Accumulated Depreciation-Building Improvements | Property, Plant and Equipment |
| 000-00-00-000-0000-2121-2000 | Trade payables | Accounts Payable |
| 000-00-00-000-0000-6174-6120 | Repairs and Maintenance-Materials | Operating Expenses |
| 000-00-00-000-0000-6174-6121 | Repairs and Maintenance-Labor | Operating Expenses |
| 000-00-00-000-0000-6175-6130 | Depreciation Expense - Building | Operating Expenses |
| 000-00-00-000-0000-6175-6135 | Depreciation Expense - Building Improvements | Operating Expenses |

1. JOURNAL ENTRIES
2. Recognition of Repairs and Maintenance Expense

*Cash Basis*

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Account Code** |  | **Account Title** | | **Dr.** | **Cr.** |
| 000-00-00-000-0000-6174-6120 |  | Repairs and Maintenance-Materials | | xx |  |
| 000-00-00-000-0000-6174-6121 |  | Repairs and Maintenance-Labor | | xx |  |
| xxx-xx-xx-xxx-xxxx-xxxx-xxxx |  |  | Cash\* |  | xx |
|  |  | *To record repairs and maintenance of building* | | | |

*\*Refer to accounts under cash and cash equivalents.*

*On Account*

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Account Code** |  | **Account Title** | | **Dr.** | **Cr.** |
| 000-00-00-000-0000-6174-6120 |  | Repairs and Maintenance-Materials | | xx |  |
| 000-00-00-000-0000-6174-6121 |  | Repairs and Maintenance-Labor | | xx |  |
| 000-00-00-000-0000-2121-2000 |  |  | Trade Payable |  | xx |
|  |  | *To record repairs and maintenance expense of building on account* | | | |

1. Capitalization of Repairs and Maintenance

*Cash Basis*

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Account Code** |  | **Account Title** | | **Dr.** | **Cr.** |
| 000-00-00-000-0000-1211-1604 |  | Building | | xx |  |
| 000-00-00-000-0000-1211-1605 |  | Building Improvements | | xx |  |
| xxx-xx-xx-xxx-xxxx-xxxx-xxxx |  |  | Cash\*\* |  | xx |
|  |  | *To capitalize repairs and maintenance of building* | | | |

*\*\*Refer to accounts under cash and cash equivalents.*

*On Account*

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Account Code** |  | **Account Title** | | **Dr.** | **Cr.** |
| 000-00-00-000-0000-1211-1604 |  | Building | | xx |  |
| 000-00-00-000-0000-1211-1605 |  | Building Improvements | | xx |  |
| 000-00-00-000-0000-2121-2000 |  |  | Trade Payable |  | xx |
|  |  | *To capitalize repairs and maintenance of building on account* | | | |

1. Recording of Depreciation Expense

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Account Code** |  | **Account Title** | | **Dr.** | **Cr.** |
| 000-00-00-000-0000-6175-6130 |  | Depreciation – Building | | xx |  |
| 000-00-00-000-0000-6175-6135 |  | Depreciation – Building Improvements | | xx |  |
| 000-00-00-000-0000-1211-1704 |  |  | Accumulated Depreciation – Building |  | xx |
| 000-00-00-000-0000-1211-1705 |  |  | Accumulated Depreciation – Building Improvements |  | xx |
|  |  | *To record depreciation of building and building improvements* | | | |

1. KEY TERMS
   1. *Building –* is a structure that has a roof and walls (i.e. house, warehouse, office, etc.).
   2. *Upkeep –* is the act or process of keeping up buildings, equipment, etc. in good condition especially over a long period. It is synonymously the same with the word maintenance.
   3. *Maintenance –* is the work undertaken to restore or improve every facility in every part of a building, its services and surroundings to currently accepted standards and to sustain utility values of the facility.
2. POLICIES
   1. **General** 
      1. The admin department shall have extensive oversight over the upkeep of the Company buildings and facilities. A schedule of maintenance should be prepared, monitored, and documented.

Moreover, the admin department shall ensure that the Company complies with existing government rules and regulations (i.e. fire department, licensing, occupancy permits, etc.) in the construction and maintenance of its buildings.

* + 1. Building repairs and maintenance should be done regularly (i.e. weekly, monthly, quarterly, annually) and properly documented (i.e. approved RBRM, noted BMC, etc.).
    2. Company buildings should be insured to mitigate risks of loss due to untoward incidents (i.e. fire, earthquake, war, etc.)
    3. The Admin department and accounting department shall ensure that property taxes on Building are paid on time.
  1. **Building Repairs and Maintenance** 
     1. All Company buildings should be properly maintained. As such, the admin department should maintain a checklist for building maintenance. See *Annex A* for the sample checklist.
     2. The Admin department shall inform the user departments on their responsibilities in maintaining the building premises.
     3. Building inspections should be done regularly (i.e. weekly, monthly, quarterly, annually) and supported with a duly noted BMC.
     4. For major building repairs and maintenance, a written notice or memorandum shall be properly disseminated in order not to affect the Company operations.
     5. Lights and other electrical equipment should be properly turned-off or unplugged before leaving the building premises.
     6. The building should always be clean and well ventilated to minimize sickness and infection.
     7. Only skilled personnel shall be allowed to perform the building repairs and maintenance.
  2. **Insurance and Security**
     1. All Company buildings shall be registered with the registry of deeds and covered with insurance policies. The Admin department shall monitor the effectivity/expiration of the insurance policies and ensure that it is renewed on time.
     2. Only accredited insurance agencies shall be contracted for the building insurance.
     3. The Company’s building should be protected with security materials (i.e. keys, CCTV, etc.).
     4. Only assigned and designated personnel/department shall have the authority to use or monitor the security materials (i.e. keys, CCTV, etc.).
     5. The building should have safety equipment (i.e. fire exit, fire extinguisher, etc.) in case of fire or any other building-related incidents.
     6. Building directories and schematics should be posted in a conspicuous place where everybody has access to it.

1. PROCEDURES

| Building Maintenance Procedures | | | |
| --- | --- | --- | --- |
| Step No. | Activity | Personnel  Involved | Business  Forms |
| 1 | Checks the building and fills-out the Building Maintenance Checklist (BMC).  Forwards one (1) copy of duly filled-out BMC to Admin Supervisor for verification. | Maintenance Staff | Duly filled-out BMC |
| 2 | Receives and verifies one (1) copy of duly filled-out BMC from Maintenance Staff.  Forwards one (1) copy of duly filled-out and verified BMC to Admin Manager for notification. | Admin Supervisor | Duly verified BMC |
| 3 | Receives and notifies one (1) copy of duly filled-out and verified BMC from Admin Supervisor.  If the result of the BMC requires repairs and maintenance, proceeds to procedures of “*Requisition for Building Repairs and Maintenance”* in this process title.  Forwards one (1) copy of duly noted BMC to Maintenance Staff for filing. | Admin Manager | Duly noted BMC |
| 4 | Receives and files chronologically one (1) copy of duly noted BMC from Admin Manager. | Maintenance Staff |  |

| Requisition for Building Repairs and Maintenance | | | |
| --- | --- | --- | --- |
| Step No. | Activity | Personnel  Involved | Business  Forms |
| 1 | Initiates/Receives requisition for repairs and maintenance. | Maintenance Staff |  |
| 2 | Fills-out three (3) copies of Request for Building Repairs and Maintenance (RBRM).  Forwards three (3) copies of duly filled-out RBRM to Admin Supervisor for verification and inspection of building. | Maintenance Staff | Duly filled-out RBRM |
| 3 | Receives three (3) copies of duly filled-out RBRM from Maintenance Staff.  Inspects the building and verifies three (3) copies of duly filled-out RBRM.  Forwards the three (3) copies of duly filled-out, and verified and inspected RBRM to Admin Manager for approval. | Admin Supervisor | Duly verified and inspected RBRM |
| 4 | Receives and approves three (3) copies of duly filled-out, and verified and inspected RBRM.  If repairs and maintenance is major, proceeds to process title *“Fixed Asset Management”.*  If repairs and maintenance is minor and requires purchasing of supplies and/or services, proceeds to process titles *“Purchasing of Materials”, “Service Contracting”, and “Revolving/Vessel Operations Fund”.* | Admin Manager | Duly approved RBRM |
| 5 | Starts the repair and maintenance.  After completion of repair and maintenance, the person who repairs will sign the “completed by” portion of RBRM. | Maintenance Staff or Appropriate Personnel | Duly signed “completed by” portion of RBRM |
| 6 | Inspects the repaired portion of the building and signs “inspected by” portion of RBRM. | Admin Supervisor | Duly signed “inspected by” portion of RBRM |
| 7 | Forwards one (1) copy of duly completed RBRM to Accounting Department.  Files another copy of RBRM chronologically. | Maintenance Staff |  |

1. FLOWCHARTS





1. BUSINESS FORMS
   1. Request for Building Repairs and Maintenance



No. of Copies/color - 3 copies (white)

Explanation - This document is used to support the request and completion for building repairs and maintenance.

Prepared by - Maintenance Staff

Verified and Inspected by - Admin Supervisor

Approved by - Admin Manager

Distribution - Copy 1 – Admin Department

* Copy 2 – Accounting Department
* Copy 3 – Attachment to the RF Voucher of the RF Custodian

1. EFFECTIVITY

This Policies and Procedures Manual shall take effect upon approval and shall supersede any memorandum/SOP inconsistent with this Policies and Procedures Manual. Any changes to the manual shall comply with the policies and procedures indicated in the process title *“Amendment of Manual”.*

**ANNEX**

ANNEX A

Building Maintenance Checklist

**Weekly**



**Monthly**



**Quarterly**



**Semi-Annually**



**Annually**

