

MITSUKOSHI MOTORS PHILIPPINES, INC.		
POLICY AND PROCEDURE		
POLICY TITLE :	SET UP OF NEW PETTY CASH FUND	Ref. No.
DEPARTMENT :	TREASURY DEPARTMENT	TRE 15-12-001
TO :	BRANCH MANAGER / CASHIER	December 1, 2015

OBJECTIVE

1. To guide the branch in establishing Petty Cash Fund for their expenses and disbursements to be used in the daily operations.
2. To establish responsibility and accountability of branch in establishing Petty Cash Fund.

POLICIES

1. The initial established Petty Cash Fund shall be P 5,000.00 and maybe increase or reduce depending on their transactions to cope up with their daily operational needs. It includes the cost of spare parts and motor oil for maintaining service motorcycle under MC Plan.
2. This is a discretionary cash fund set-up by the Company for branch small disbursement and is replenish through branch collections under the responsibility of the branch Cashier.
3. The establishing of Petty Cash Fund shall be initiated and approved by the Operations Support Department which will be coursed through PCF Section.
 - 3.1. The initial Petty Cash Fund shall be withdrawn from cash collections of another branch through Authorization Number to be issued by PCF Section authorized by Operations Support Department.
3. The Petty Cash Fund shall be based on imprest system. This system reserved a fixed amount which after a certain period of time because the money were spent, it will be replenished.
4. The established Petty Cash Fund cut-off dates are from 1 to 15 and 16 to end of the month.
5. The replenishment of the Petty Cash Fund will be made 1st or 16th after each cut-off dates.
 - 5.1. Only on meritorious cases that partial or interim replenishment can be allowed by the PCF Section.
6. The disbursement limits on the established PCF is at maximum amount of Five Hundred (P500.00) Pesos specifically on Office Supplies, Marketing and Miscellaneous expenses.
7. Normal or regular expenses or disbursement of the branch must be specifically described as mentioned in the Petty Cash Fund Summary;
 - 7.1. Bank Charges

Cost of charges incurred on bank services which includes cost of fund transfer to main office including cost of charges from remittance centers or Express Padala such as;

 - 7.1.1. M. Lhullier Pawnshop
 - 7.1.2. Palawan Pawnshop
 - 7.1.3. Western Union
 - 7.1.4. Cebuana Lhullier Pawnshop
 - 7.2. Gasoline & Fuel (Activation)

Cost of gasoline for reactivation of sold motorcycle units to customers.

 - 7.2.1. The gasoline for activation is only allowed for the release of brand new motorcycle unit. Further, the PCF Voucher must show Gasoline Receipt number and covering Sales Invoice of the released unit.

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7.3. Gasoline & Fuel (Service)

Cost of gasoline and lubricant for company owned vehicles used to carry out branch officers and personnel duties and responsibilities, e.g. field personnel's gasoline allowance.

7.3.1. Advance for Gasoline Allowance of branch field personnel is not allowed. The gasoline expenses will be initially shouldered by the field personnel and will only be allowed for reimbursement after field work or in the afternoon based on certain conditions.

7.3.2. Before any reimbursement, the field personnel must first submit updated Field Cards of the customers he has visited with corresponding Daily Itinerary Report (DIR) for his fieldwork and supporting Gasoline Receipt.

7.3.3. The PCF Voucher will show the Gasoline Receipt number as reference for the disbursement.

7.4. Transportation /Travelling

Expenses incurred for official travel of branch officers and personnel, which includes fares (boat, bus, jeepney, tricycle, etc.).

7.5. Office Supplies

Cost of forms, printing and materials and other items normally consumed in clerical function including cost of photocopy.

7.5.1. Branches near or with-in the proximity of the main office shall obtain their office supplies from the latter.

7.6. Marketing Expenses

Marketing related expenses incurred by the branch such as fliers, brochures, pamphlets, streamers not exceeding the P 500.00 limit.

7.7. Water Bill

Expenses incurred for water consumption of the branch, e.g. water bill and mineral water.

7.8. Telephone Bill

The basic monthly telephone bills and cost of long distance calls including cell phone bills chargeable to the company are also included in this account.

7.9. Electric Bill

All expenses incurred for power and light consumption of the branch.

7.10. Postage and Mailing

Cost of stamps consumed in mailing correspondences of branch transmittal and other business matters. Also includes cost of services for private courier e.g. LBC, JRS Aboitiz are also included in this account.


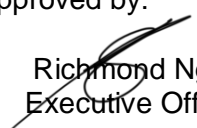
7.11. Repair and Maintenance Vehicle

Cost of spare parts and motor oil for repair and maintenance of service motorcycle under MC Plan contract.

7.11.1. 100% of the cost shall be shouldered by the company which shall be covered by supporting receipt.

7.11.2. Temporary Receipt is not allowed and the reimbursement not properly supported will be considered null and invalid.

7.11.3. The branch field personnel should not patronize "Fly-by-Night" establishment.

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7.12. Miscellaneous


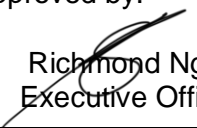
Items which cannot be appropriately classified under any of the foregoing expense accounts.

7.12.1. The charging of disbursement to Miscellaneous Expenses must be avoided; the branch expenses must be identified under the classification in the PCF Summary if possible.

8. It is the responsibility of the Branch Manager and Cashier to monitor and reduce branch expenses to a minimum through cost efficiency measures. Cost efficiency measures are practice, procedures and systems to maximize branch efficiency at a minimum cost without sacrificing branch operations, such as;
 - 8.1. Plan field work to control fuel consumption.
 - 8.2. Proper maintenance of service motorcycle. A properly maintained service motorcycle unit will performed efficiently, thus, saving fuel and lubricants, and spare parts due to reduction in wear and tear of the unit.
 - 8.3. Branch should use both side of paper. The other side of a used paper can be used by the branch as scratch paper.
 - 8.4. Using letter size paper for internal communication, it is cheaper than the legal size.
 - 8.5. Use newsprint which has a lower cost than bond paper. Bond paper should only be used for external communication.
 - 8.6. Turn-off faucet when not in use to save on water.
 - 8.7. Turn-off electric light when not in use.
 - 8.8. Require branch personnel to surrender empty ball pen when requesting for a replacement.
 - 8.9. Review branch staffing or personnel requirement.
 - 8.10. Reduce delinquent accounts, a branch with high overdue rate spend more time in the field than branch with low overdue rate. It spend more on fuel and manpower cost in follow-up activities.
 - 8.11. Reduce branch repossession, some branches incurred additional cost on rent to accommodate repossessed inventories
 - 8.12. Water refill is in maximum of five gallons in a month. The amount in excess of the five gallons per month will be shouldered by the branch personnel.

PROCEDURES

1. Branch Manager-New Branch
 - 1.1. Receive the Authorization Number from Petty Cash Fund (PCF) Section for the establishment of the Petty Cash Fund of the new branch.
 - 1.2. Proceed to the nearest branch and withdraw the initial Petty Cash Fund and Change Fund based on the authorization issued by the PCF Section.
 - 1.3. Secure a copy of Disbursement Voucher from the cashier of nearest branch supporting the withdrawal of the amount from the branch collections for the initial Petty Cash Fund of the new branch.
 - 1.3.1. Affix signature in the Disbursement Voucher upon receipt of the money for the initial Petty Cash Fund and Change Fund.
 - 1.4. After withdrawal of the initial Petty Cash Fund and Change Fund, give the withdrawn amount to the cashier of the new branch.
 - 1.5. Obtain signature of cashier of the new branch in the Disbursement Voucher as proof that the amount was transferred to the latter.
 - 1.6. Keep the acknowledged Disbursement Voucher as personal file for future reference.


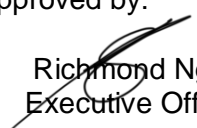
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2. Cashier-Nearest Branch

- 2.1. Receive the authorization number for the initial Petty Cash Fund and Change Fund of the new branch.
- 2.2. Prepare Disbursement Voucher based on the authorization number issued by the PCF Section for the Petty Cash Fund and Change Fund and secure approval from her Branch Manager.
- 2.3. Upon visit of the Branch Manager of the new branch, withdraw amount on branch collections based on the Disbursement Voucher.
- 2.4. Obtain signature of the Branch Manager of the new branch in the "Received by" portion of the Disbursement Voucher.
- 2.5. Post disbursement from branch collections in the Branch Monitoring System (BMS) to record Disbursement Voucher covering the release of money for the initial Petty Cash Fund of the new branch.
- 2.6. Transmit the Disbursement Voucher to the DPR Section based on the required schedule days together with other supporting documents of Daily Performance Report (DPR).


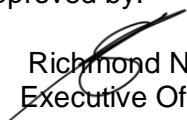
3. Cashier – New Branch

- 3.2. Receive money from Branch Manager from new branch for the initial Petty Cash Fund and Change Fund.
- 3.3. Acknowledge receipt of money by signing in the Disbursement Voucher copy of the Branch Manager of the new branch.
- 3.4. Keep the money for Petty Cash Fund separately in a secure place.
- 3.5. Record first entry in the PCF Control Logbook in establishing of Petty Cash Fund of the branch.

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DISBURSEMENT VOUCHER

<u>DAAN HARI</u> Dealer <u>OZAMIS</u> Branch	
<u>DISBURSEMENT VOUCHER</u>	
TO: <u>MARY JOY DELA CRUZ</u>	DATE: <u>May 02, 2015</u>
PARTICULARS	Amount
Establishment of Petty Cash Fund and Change Fund	P 5,500.00
Petty Cash Fund	P 5,000.00
Change Fund	500.00
Authority No.: 1505002 Issued By: Ruby Andaya	
TOTAL: P 5,500.00 Amount in Words: Five Thousand Five Hundred Pesos only.	
Prepared by: Cashier	Approved by: Branch Manager
Received by: Branch Manager	

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