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1.0 PURPOSE

The objectives of the Accounting Division are to provide information about the financial position, financial performance, and cash flow of the Philippine Sports Commission that is useful to a wide range of users in making and evaluating decisions about the allocation of resources. Specifically, the objectives of general purpose of financial reporting are to provide information useful for the decision-making, and to demonstrate accountability of the entity for the resources entrusted to PSC.

2.0 SCOPE

- It covers financial reporting of the PSC that is in line with the existing laws, rules and regulations; and the basic standards/fundamental accounting principles for financial reporting by the national government agencies.
- Ensure implementation of the Commission on Audit (COA) issuances, rules and regulations, policies, laws on government accounting and auditing in all payments/disbursements of the agency.

3.0 DEFINITION OF TERMS

Assets - In financial accounting, an asset is an economic resource. Anything tangible or intangible that is capable of being owned or controlled to produce value and that is held to have positive economic value is considered an asset. It is a property owned by a person or company, regarded as having value and available to meet debts, commitments, or legacies.

Statement of Financial Position - is a financial report which shows the entity's assets, liabilities, and stockholders' equity as of the report date. It does not show information that covers a span of time. The new terminology use for the balance sheet is statement of financial position.

Bank Statement - Statement prepared by the government servicing banks showing the daily negotiated Modified Disbursement System (MDS) checks that are charged against the MDS central account and replenishments made by the Bureau of Treasury (BTr).


Cash Advances - Advances granted to officers and employees which may be classified into: (a) regular cash advance - those granted to cashiers, disbursing officers, paymasters and/or property/supply officers for salaries and wages, commutable allowances, honoraria and other similar payments and petty cash operating expenses; (b) special cash advances - those granted on the explicit authority of the agency heads to duly designated disbursing officers or employees for other legally authorized purposes.

Check Floats/Outstanding Checks- Checks issued by agencies which were not yet encashed by the payee.

Disbursement Voucher - is a form used to have a check made to pay an individual or an organization for merchandise sold or services rendered.

Equity - In accounting and finance, equity is the difference between the value of the assets/interest and the cost of the liabilities of something owned.

Financial Statement (or financial report) - are a collection of reports about an organization's financial results, financial condition, and cash flows. It is a formal record of the financial activities and position of the agency.

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Relevant financial information is presented in a structured manner and in a form easy to understand.

General Fund - Fund which is available for any purpose to which the legislative body may choose to apply, and is composed of all receipts or revenues which are not otherwise accruing to other funds.

Government Accounting - encompasses the process of analyzing, recording, classifying, summarizing and communicating all transactions involving the receipt and disposition of government funds and property, and interpreting the results thereof. (*Sec. 109, Presidential Decree (P.D.) No. 1445*)

Statement of Financial Performance - Shows the results of the entity's operations and financial activities for the reporting period. It includes revenues, expenses, gains, and losses.

Liabilities - In financial accounting, a liability is defined as the future sacrifices of economic benefits that the entity is presently obliged to make to other entities as a result of past transactions or other past events, the settlement of which may result in the transfer or use of assets, provision of services or other yielding of economic benefits in the future.

Negotiated Checks - MDS checks already paid/encashed by government servicing bank.

Notice of Cash Allocation (NCA) - Cash authority issued by the DBM to central, regional and provincial offices and operating units through the authorized government servicing banks of the MDS, to cover the cash requirements of the agencies.

Non-Cash Availment Authority (NCAA) - Authority granted by DBM to government agencies to account for the cash equivalent of loan proceeds availed of through supplier's credit/constructive cash.

Statement of Cash Flows - it is a reports that shows the sources and uses of cash by operating activities, investing activities, financing activities, and certain supplemental information for the period specified in the heading of the statement. The statement of cash flows is also known as the cash flow statement.


Tax Remittance Advice (TRA) - Document which agencies issue/file with the BIR to report and record remittances (constructive payment) of all taxes withheld from transactions. This serves as basis for BIR and BTr to record as income, the tax collection and deposit in their books of accounts.

Trial Balance - is a list of all the General ledger accounts (both revenue and capital) contained in the ledger of a business. This list will contain the name of the nominal ledger account and the value of that nominal ledger balances on a particular place. The value of the nominal ledger will hold either a debit balance value or a credit balance value. The debit balance values will be listed in the debit column of the trial balance and the credit value balance will be listed in the credit column.

4.0 REFERENCE DOCUMENTS

Accounting Division Operations Manual

5.0 PROCESS FLOW

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RESPONSIBLE

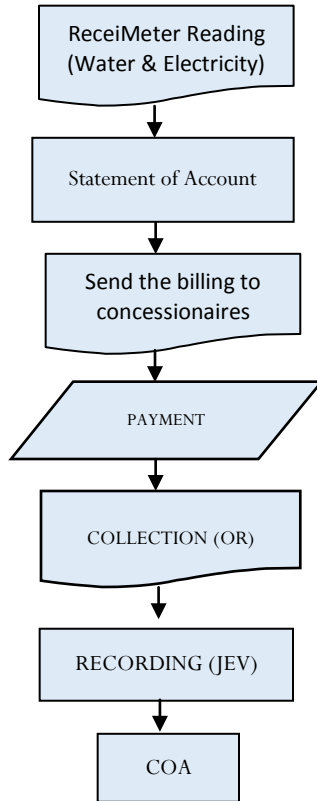
FLOW CHART

REFERENCE

Accounting Staff/
Chief Accountant

**Data Flow Diagram (Billing and
Collection/Rentals) Accounting Office**

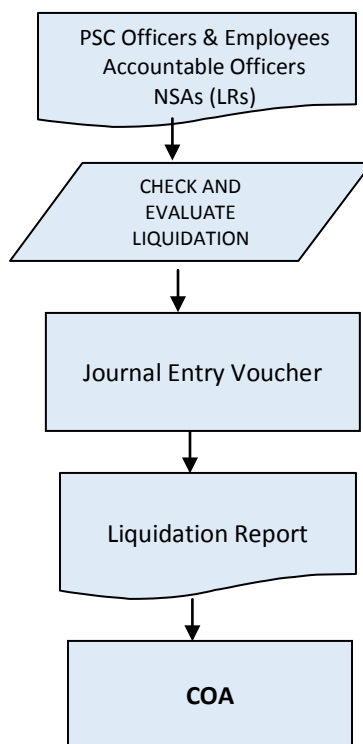
Accounting Division
Operations manual



Accounting Staff/
Chief Accountant

**Operational Diagram (Liquidation Reports)
Accounting Office**

Accounting Division
Operations manual



Accounting Staff/

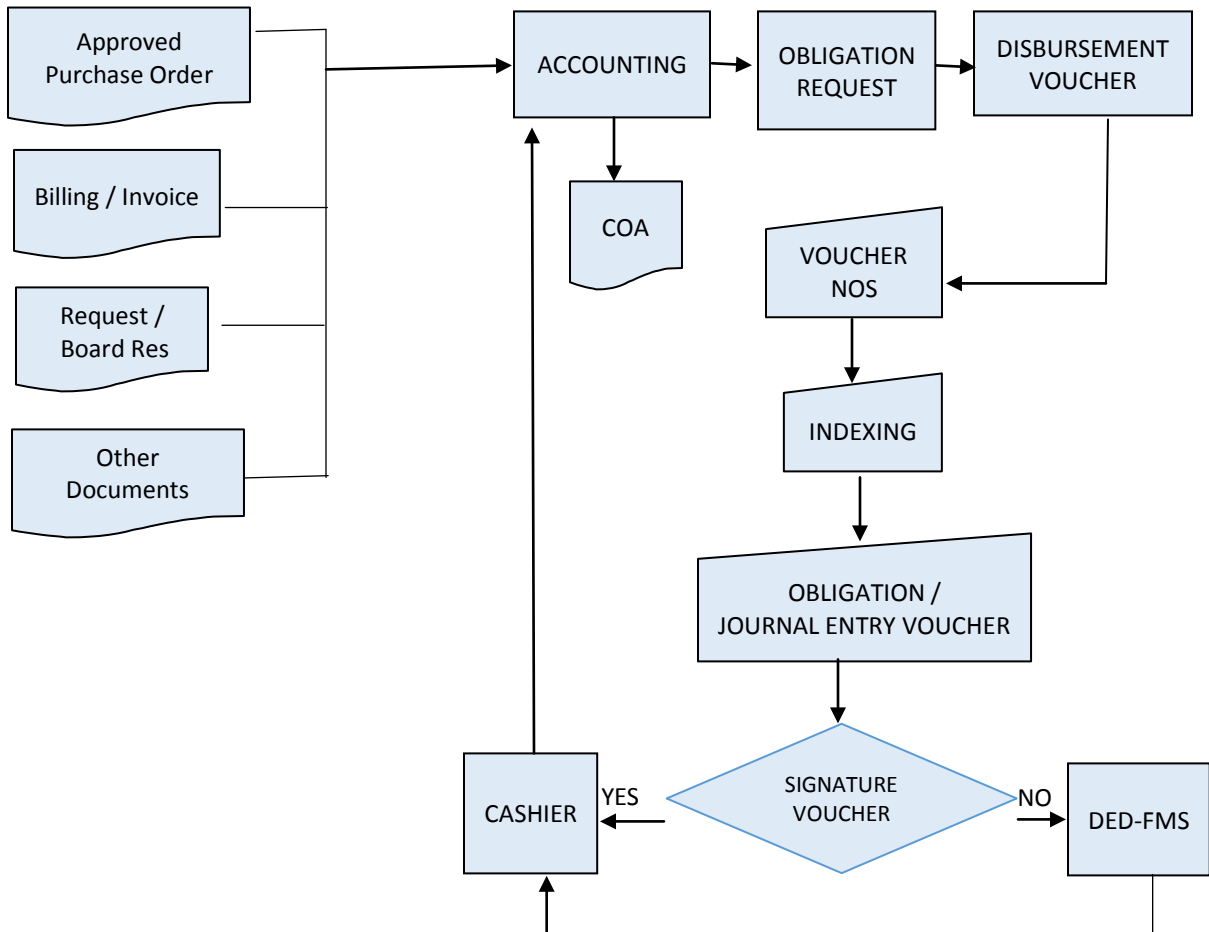
**OPERATIONAL FLOW DIAGRAM
ACCOUNTING OFFICE**

Accounting Division



Chief Accountant

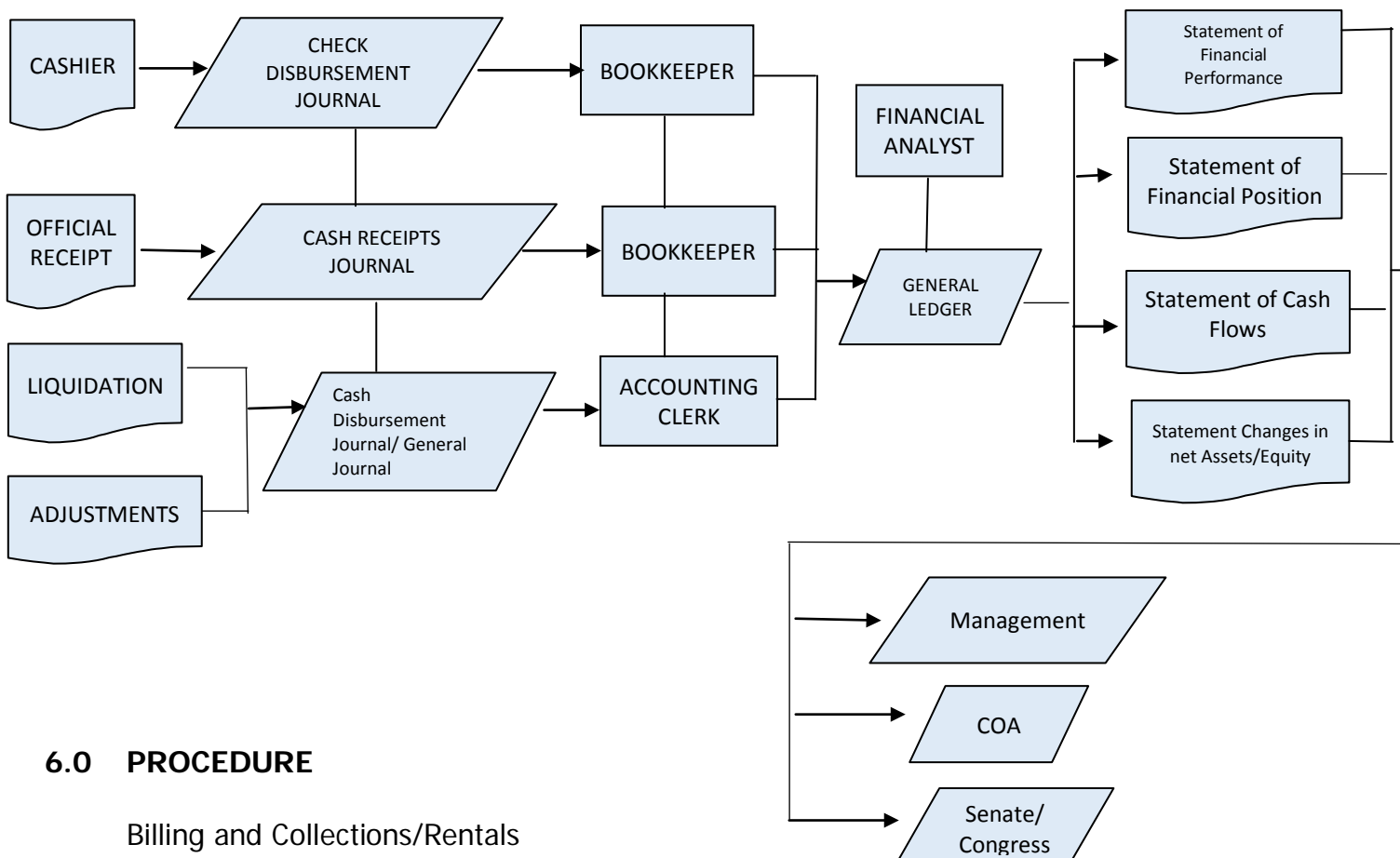
Operations manual



Accounting Staff/
Chief Accountant


PROCESS FLOW

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6.0 PROCEDURE

Billing and Collections/Rentals

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- a. Received meter reading for water and electricity from Engineering office.
- b. Prepares the billing statement.
- c. Sends the billing statement to the concessionaires.
- d. The concessionaire receives the billing and Prepares payment.
- e. The cashier receives payment and prepares the Official Receipt.
- f. The accounting receives the Collection Report with the attached official receipt for recording purposes.
- g. COA- official receipt for audit and safe keeping.

Liquidation Reports

- a. Accountable officers and NSAs submit liquidation reports with all the supporting documents.
- b. Bookkeeper process and check the documents submitted and prepares (JEV) Journal Entry Voucher for signature of the Chief Accountant.
- c. The chief accountant signed the JEV after ensuring the liquidation report is in compliance with government auditing and accounting rules and regulations.
- d. Accounting staff prepares transmittal of the liquidation reports and submit to COA for audit.
- e. COA will received the transmittal and liquidation reports.

Processing of Payments (Operational Flow of Disbursement by Checks)

- a. Received from budget all documents for payment (P.O., Financial Assistance, request for reimbursements, Cash Advances, Payrolls, etc.) with BUR/OBr
- b. Check attachments and prepare disbursement Vouchers, Journal Entry Vouchers.
- c. Prepare tax certificates (for suppliers with tax deductions)
- d. Process and signed the disbursement vouchers, JEV and tax certificates.
- e. Forward the signed DVs to the office of the DED-AFMS for the approval of DVs.
- f. Cashier received approved DVs for check preparation
- g. Receive paid DVs from cashier's office.
- h. File the paid DVs, prepare transmittal report for submission to COA.

Process Flows

Check Disbursement

- a. Received Report of Checks Issued from Cashier's Office.
- b. Check and enter in the Check Disbursement Journal.
- c. Summarize entries per account.

Collections

- a. Received Report of Collections from Cashier's Office.
- b. Prepare Journal Entry Voucher for daily collection report.
- c. Summarize in Cash Receipts Journal.

Cash Disbursements

- a. Received Report of Disbursements from Special Disbursing Officers.
- b. Check disbursements for the completeness of the supporting documents, correctness of amount and legality of payment.
- c. Preparation of Journal Entry Voucher for each report of disbursements.
- d. Summarize in the Cash Disbursement Journal.

Other transactions not covered in Special Journals


- a. Received liquidation report (NSAs, PSC Officers and employees) and other transactions (Depreciation, Supplies Issuance, Adjustment).
- b. Check liquidation reports if the attached supporting documents is complete and proper.
- c. Prepare of Journal Entry Voucher per liquidation reports.
- d. Summarize in the General Journal.

Process Flow Common to all

1. Posting of entries to the General Ledger.
2. Preparation of Trial Balance, Financial Statements and other reports.
3. Prepare transmittal Reports.
4. Submission of Financial reports to COA, DBM and other oversight government agencies.

7.0 FORMS ATTACHED

1. General Journal

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2. Cash Receipts Journal
3. Cash Disbursement Journal
4. Check Disbursement Journal
5. General Ledger
6. Subsidiary Ledger
7. Statement of Approved Budget, Utilizations, Disbursements & Balances - FAR 2
8. Summary of Approved Budget, Utilizations, Disbursements & Balances by Object of Expenditures - FAR 2-A
9. Aging of Due and Demandable Obligations
10. Monthly Report of Disbursements
11. Quarterly Report of Revenue & Other Receipts- FAR 5
12. Order of Payment
13. Disbursement Voucher
14. Journal Entry Voucher
15. Liquidation Reports
16. Advice to Debit Account Disbursement Journal
17. Schedule of Accounts Payable
18. Schedule of Accounts Receivable
19. Supplies Ledger Card
20. Property, Plant & Equipment Ledger Cards
21. Bank Reconciliation Statements-MDS
22. Bank Reconciliation Statement-AGDB
23. BIR Form 2306
24. BIR Form 2307
25. Statement of Account
26. List of Accountable Officers