

**ADVANCES AND CLAIMS (PROGRAMS, GENERAL & FUNDING
ADVANCES AND CLAIMS)****Document No: 1****Distribution:**

All Holders

Summary of Changes:

First Issue 2010 (Issue No 1)

Revision January 2016 (Issue No 2)

Originator : Sharlina Adnan**Reviewer** :.....
Izzaddin A. Rahim
Mohamad Rizal Othman**Executive
Director** :.....
Ir Amran Mahzan**Issue** : 02**President** :.....
Dato' Dr Ahmad Faizal Mohd Perdaus**Effective
Date** : 20 May 2017

Purpose

- To define the policies and procedures on the disbursement of advances for programs, activities as sanctioned and approved by the Organization
- To provide procedures and guidelines with regards to the reimbursement of authorised and reasonable claims incurred and paid by employee and authorised volunteers on behalf of the Organisation.
- Advance applies to disbursement of monies to EXCO/staff/volunteers as well as advance funding to basecamp, country offices and field operations, to be incurred for programs or activities or other such requirement as approved by the Organization
- Claim applies to expenditure incurred and paid by the EXCO/staff/volunteers, which are related to the programs or activities or personal benefit entitlement stated in terms and conditions of employment.

Scope

This document covers the policy, procedures and process flows for the application of advance (cash or funding) and claims on expenditure incurred or entitled (as per personal benefit entitlement)

Responsibilities

- | | |
|-----------------------------------|--|
| Requester/Claimant | - Responsible to comply with the policies and procedures set out in this process. |
| Verification/Approving Authority | - To ensure that the requester/claimant follows the policies as stated in this document before authorising such request |
| Processor
(Fin and/or HR Off.) | - To ensure all request (forms and supporting documents) has been authorised in accordance with the policies and procedures stated in this document. |

Attachments

- Attachment 1: Fund/Advance Requisition Form (FRF)
- Attachment 2: Cash Advance Requisition Form (CARF)
- Attachment 3: General Claim Form
- Attachment 4: Travelling & Allowance Claim Form
- Attachment 5: Petty Cash Claim Form
- Attachment 6: Expenses Report Template
- Attachment 7: Financial Report Sample
- Attachment 8: Cash Book Report Sample
- Attachment 9: Process Flow – Advance (Cash) for Programs, Projects, Activities
- Attachment 10: Process Flow – Advance Funding for Programs, Projects, Activities
- Attachment 11: Process Flow – Advance for Non Relief Operations (Office Related)
- Attachment 12: Process Flow – Disbursement of Claims (Travelling & Allowance)
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Associated Documents

1. Delegation of Authority Limit (DAL)

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- 1.3 ADVANCE FUNDING FOR PROGRAMS, PROJECTS AT COUNTRY, FIELD OR CHAPTER OFFICES OR BASECAMP OPERATIONS
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- 1.5 ADVANCE FOR TRAVELLING
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PART 2 – CLAIMS

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ADVANCE

1.1 General Policy and Rules

- 1.1.2 Any EXCO/staff on official duties is eligible to apply for advance payment to facilitate the execution of his/her duties.
- 1.1.3 The EXCO/staff who took the cash advance will be the custodian of the cash or funds and shall be fully responsible and accountable on the utilization and reporting.
- 1.1.4 All advances are to be treated and administered in a strict financial compliance as described in this document.
- 1.1.5 All approved requests and expenses incurred must be recorded and booked into the financial accounting system.
- 1.1.6 EXCO/staff will not be allowed to request or obtain any cash advance when there is any outstanding advance due from the person.
- 1.1.7 Exception to 1.1.6, in a strict case of back-to-back emergency response, a staff may be allowed to obtain the 2nd cash advance, however shall be subjected to submit both reports (1st and 2nd advance taken) within 14 days upon returning to the office.
- 1.1.8 If the advance is not returned to Finance Department or finance unit (offices other than MMHQ) after the stipulated timeframe without any justification, a reminder letter or memo will be issued against the staff.
- 1.1.9 If the staff failed to respond to the reminder letter, the outstanding advance by the staff shall be deducted against his/her salary at the end of the following month and/or other appropriate legal actions against the staff or custodian in the case of any losses of money.
- 1.1.10 Where practicable, outstanding accountable advances from EXCO/staff shall be cleared before the financial year-end.

1.2 Advance for Program, Project, Mission (Relief Operations and Non Relief Operations Related)

- 1.2.1 Program, Project, Mission advance is an advance given to any EXCO/staff/volunteers who are authorised to carry out the Organisation's projects and programmes in Malaysia or internationally which also include the Advance for Emergency Response.
- 1.2.2 The request must be made through the Fund Requisition Form (FRF), appended as **Attachment 1** and must be approved as per DAL 4.5 – Cash/Mission Float Disbursement.
- 1.2.3 The FRF should be submitted to Finance Department or finance unit (overseas offices) **at least five (5) working days** prior to departure or activity/event date. This is to ensure that the funds could be

prepared and arranged accordingly for disbursement to the requester/custodian.

- 1.2.4 The FRF must also be supported and attached with the dully approved program/project proposal (as per DAL Section 2) or make reference to the proposal which was approved earlier (in the case of requesting for subsequent mission advance, within the approved budget)
- 1.2.5 Exceptional to 1.2.2, in the event of emergency response, upon approval from the Executive Director and/or EXCO (in accordance to DAL-MMHQ or respective Country DAL) to execute the mission, the advance can be disbursed immediately upon receiving the approved FRF with the relevant supporting documents such as minutes of meeting of the Emergency Coordination Meeting or such acceptable supporting documents.
- 1.2.6 The advance and fund request must take into consideration all potential expenditure that could be incurred for that particular program or project or activity.
- 1.2.7 Full report on the utilisation of the advance and balance of unused advance must be returned to Finance Department or finance unit within **seven (7) working days** after returning to the office.

The expenses report sample is per **Attachment 6**

- 1.2.8 The report must be attached with original supporting documents to support the expenses incurred.
- 1.2.9 If there is a case where expenditure incurred is more than the amount of advance taken, justification should be incorporated in the report. The difference of the amount is subjected to the following approval:
 - i) Head of Finance for amount up to RM1,000
 - ii) Head of Country Operations* up to USD500
 - iii) Executive Director for amount above RM1,000.

* The Head of Country is the appointed person/staff to manage the country or field operations that could be the Country Director or Country Manager or other such person as appointed by the EXCO.

A separate Claim Form has to be completed for disbursement purposes.

- 1.2.10 Failure to submit the expenses report or refund any excess money or losses of money, the Management has the authority to classify the unreturned amount in full as receivables due from custodian and the Organization has the legal rights to fully recover the amount form the custodian or his/her next of kin.
- 1.2.11 The Custodian is responsible for the safekeeping of the money received and must ensure that it is safely kept under his/her custody. Any loss of money due to theft, robbery or other unavoidable circumstances and not resulted from custodian's negligence must be

reported within 24 hours to the police, and reported to Head Office and/or country representative.

1.2.12 The money under the custodian's care during a mission period is covered by insurance. Therefore, any loss of money due to theft, robbery or other unavoidable circumstances, and not resulted from Custodian's negligence within an insured period, should be reported to Head Office and/or country representative immediately. Supporting report (i.e. police report, etc) should be attached together with the Custodian's report for insurance claim.

1.2.13 In principle, the money under the custodian care or in the hands of authorized employee(s) any one time including whilst in the employee's residence and whilst on duty will be insured up to RM50,000 per person. This insured terms and conditions and other insurance coverage for Money are however subject to changes as per the Insurance Policy taken-up by MMHQ.

1.2.14 Any loss of money must be reported to HRMA immediately (within 7 days) and failure to that will result in losses to be borne by the Custodian and shall also be bound by Para 1.1.9 and 1.2.10.

1.2.15 The process flow for **Advance for Program, Project, Mission** is per Attachment 9.

1.3 Advance Funding for Programs/Projects at Country, Field or Chapter Office Operations

1.3.1 The advance funding for programs or projects refers to the requirement by the respective country, field office or chapter office or the basecamp operations for its programs or projects or activities or their operating expenditure.

1.3.2 The request must be made through the FRF based on the approved program or project proposals and are within the approved budget.

1.3.3 The FRF must be approved by the Head of PDO/GM Operations (for programs or project proposals that has obtained the approval, refer Para 1.3.5) prior to submission to Finance Department.

1.3.4 The dully completed and approved FRF must be submitted to Finance Department **at least seven (7) working days** prior to the targeted transaction date.

1.3.5 The FRF must also be supported and attached with the dully approved program/project proposal (as per DAL Section 2) or make reference to the proposal, which has been approved earlier (in the case of requesting for subsequent funding requirement within the approved budget)

1.3.6 The advance funding will be strictly disbursed for approved programs/projects/office requirements (as per 1.3.5) and shall be utilized for planned programs/projects as well as for the respective Country/Chapter/Field office administrative expenditure

- 1.3.7 The Country/Chapter/Field office must submit by 7th of every month a monthly financial report in a form of standard financial statement and ledgers or in a form of cash and/or bank book (as minimum reporting), with the relevant bank statements, expenditure receipts and other supporting documents. Refer to **Attachment 7 and 8** for reporting template (Financial Statement and Cash Book)
- 1.3.8 The process flow for **Advance Funding for Programs/Projects at Country, Field or Chapter Office Operations** is per **Attachment 10**.

1.4 Advance for Non-Relief Operations/Mission (Office/Admin Related)

- 1.4.1 Advance for Non-Operations/Mission is an advance given to any EXCO or employee for office related matters which may include transportation, repairs or such critical requirements (subject to strict endorsement by the General Manager or Head of Country Operations) to ensure a smooth running of day-to-day operations of the Organisation.
- 1.4.2 As a general rule, advance for non-operations shall be limited to RM500.00 or USD100.00 (overseas offices). All requests must be made through the Cash Advance Requisition Form as per **Attachment 2**.
- 1.4.3 The advance for non-relief operation is not applicable to volunteers.
- 1.4.4 The cash advance application form must be submitted to Finance Department **five (5) working days** before the expenditure are expected to be incurred.
- 1.4.5 Exceptional to the above, in case of short notice, upon approval from the Head of Department and/or General Manager to incur the expenditure, the advance can be disbursed prior to the required timeframe. However, the request should be put in writing as a proof of documentation.
- 1.4.6 Any cash advance for re-fuelling of the Organization's vehicle must be approved by the HRMA, however, in the absence, the Head of Finance is authorized to approve the request.
- 1.4.7 The report on the advances taken must be submitted to Finance Department within **seven (7) working days** after completion of event/task together with expenses receipt and other supporting documents.
- 1.4.8 The process flow for **Advance for Non-Relief Operations (Office/Admin Related)** is per **Attachment 11**

1.5 Advance for Travelling

- 1.5.1 Travel advance and other related expenses are intended to ease the burden of EXCO/staff from incurring the expenditure out of their own pocket money.

- 1.5.2 The EXCO/staff are eligible to receive the travelling advance for their travel. EXCO/staff should use good stewardship practices and good judgment in incurring the expenses.
- 1.5.3 The request for travelling advance can be made through the FRF or the Cash Advance Requisition Form with the approval as per DAL 4.5.
- 1.5.4 The Organisation reserves the right to deny any travel advance request for unspecified or unreasonable purposes.
- 1.5.5 Travel advance may be granted for the following:-
- Meals and incidentals;
 - Accommodations and other business related expenses only where direct billing to the Organisation cannot be pre-arranged; and
 - Out-of-town travel by car is allowed, either by using the Organisation's vehicle or personal/private vehicle at rates as stated in the Organisation policy. In certain circumstances, a rented car with unlimited kilometers may be more economical than the use of personal vehicle. In any case, the most economical methods of transportation shall always be used.
- 1.5.6 The process flow for **Advance for Travelling** is per **Attachment 12**

1.6 Salary / Personal Advance

Currently the Organisation does not practice salary and/or personal advances to staff.

2 CLAIMS & PETTY CASH DISBURSEMENT

2.2 General Policy and Rules

- 2.2.1 The Organisation will only reimburse authorised and reasonable expenses claims incurred and paid by the employee on the Organisation's behalf. However, the Organisation reserves the right to deny reimbursement requests for unauthorised expenditure.
- 2.2.2 The limit for petty cash claim or disbursement is set at RM300.00 or USD50 (overseas office) and must be observed at all times.
- 2.2.3 In general there are 3 categories of claims as follows:
- i. Petty Cash Claim (less than RM300.00)
 - ii. General Claim (more than RM300.00)
 - iii. Travelling and Allowance
- 2.2.4 Each of the claim category shall use a different claim forms as follows;

No	Forms	Verified/Checked By
i.	Travelling and Allowance Form (Attachment 3)	HRMA/Support Officer
ii.	General Claim Forms (Attachment 4)	Immediate Superior
iii.	Petty Cash Claim Forms (Attachment 5)	Immediate Superior

- 2.2.5 Any employee using funds contrary to this procedure or intentionally misrepresenting costs or expenses as to the purpose for which they were incurred or the validity of supporting documentation will be subjected to appropriate disciplinary action, including dismissal.

2.3 Validity of Claims

- 2.3.1 Claimant must submit their expenses claim forms to Finance Department or finance unit for the reimbursement process.
- 2.3.2 Those expenses claims (except Petty Cash Claims) **must be** submitted by 5th of every month in order to be paid by 15th of the same month. Submission after the stipulated period will be processed in the following month.
- 2.3.3 Finance Department or finance unit shall not entertain any claims submitted **three (3) months after the date of expenses incurred**, unless reasonable justification is given.

2.4 Claims Approval

- 2.4.1 The approval level and limits for the expenses and benefits claims are as per DAL 4.7 and 4.8. However, below are additional guidelines with regards to the approval process.
- i) All claims (except Petty Cash Claims) must be approved by the Head of Finance or Head of Country Operations (overseas offices) before payment can be made.
 - ii) Claims by the HODs must be verified by the respective General Manager or higher authority
 - iii) Claims by the General Manager must be approved by the Executive Director.
 - iv) Claims by the Executive Director must be approved by General Manager, Finance and Human Resource Division.
- 2.4.2 No employee is allowed to approve his or her own claims.

2.5 Disbursement of Claims

- 2.5.1 For Petty Cash expenses claims, reimbursement will be processed and paid at an agreed cut off date set by Finance Department.
- 2.5.2 This may vary from time to time and notice must be informed not later than three (3) working days by Finance Department.

2.5.3 Only actual and reasonable expenses incurred while travelling on or conducting Organisation activities and supported by submission of original receipts/bills will be reimbursed. This also provided that such expenses are appropriate in relation to the purpose of the travel or Organisation business.

2.5.4 The process flow for the **Traveling & Allowance Claim** is per **Attachment 12**.

2.5.5 The process flow for **General & Petty Cash Claim/Disbursement** is per **Attachment 13**.



Name : _____

Department : _____

Purpose/Project : _____

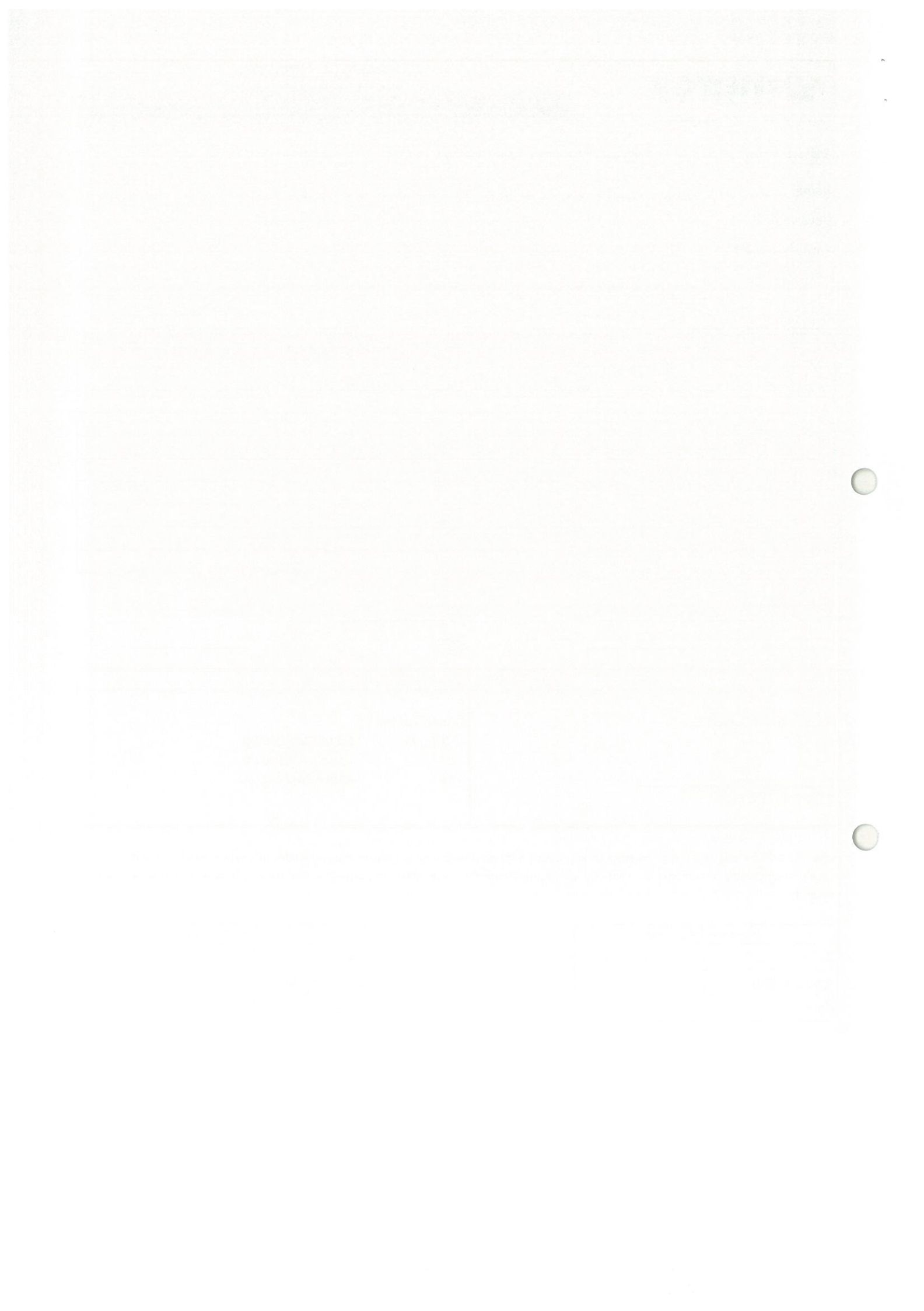
Analysis Code : _____

No	Item Description	Estimated Amount (RM)	Actual Amount (RM)
	Total		

FOR FINANCE DEPARTMENT USE	
Approved / Rejected	* <i>Approval Limit</i> <i>HOD Fin</i> : Up to RM1,000.00 <i>GM</i> : Up to RM2,500.00 <i>ED</i> : Above RM2,500.00
HOD Fin / GM / ED *	

Advance Received	
By	
Amount (RM)	
Date	

Advance Returned	
By	
Amount (RM)	
Date	





FINANCE DEPARTMENT

REF NO: MM/FIN/CF004/2014

CLAIM FORM

Name : _____
(Please write your full name for Cheque issuance - As per Bank Account's Name)

Position / Department : _____

Purpose / Project : _____

Analysis Code : _____

No.	Date	Particulars	Ref.	Amount	Air Fare	F&B	Travelling & Transportation	Others
				RM	RM	RM	RM	RM
TOTAL								

Applied by:

Verified by:
(Direct Superior)

Approved by HOD / GM / Exec. Director *:

Name: _____
Date: _____

Name: _____
Date: _____

Name: _____
Date: _____

FOR FINANCE USE

Checked by:

Approved by :

Name: _____
Date: _____

Name: _____
Date: _____

*** Approval Limit :**

HOD : Up to RM1,000.00

GM : Up to 5,000.00

ED : Above RM5,000.00





Position / Department : _____

Purpose / Project : _____

Analysis Code : _____

[illegible]

Allowance	(a)	(b)	(a) x (b) = (c)
	Day(s)	Allowance RM	Total Allowance RM
Outstation Travel Allowance			
Hardship Allowance (Emergency)			
Danger Pay Allowance (Complex Disaster)			
Grand Total			

Reference			RM
Outstation Travel Allowance	Standard of Living	High	70.00
		Medium	60.00
		Low	50.00
Hardship Allowance (Emergency Phase)			50.00
Danger Pay Allowance (Complex Disaster)	Security Level	1 & 2	50.00
		3 and above	70.00
Domestic Allowance			30.00

Claim by : _____ Checked by : _____ Approved by : _____
(HRMA) (HOD / GM / ED *)
Date : _____ Date : _____ Date : _____

Checked by	Approved by
_____	_____
Finance Officer	HOD, Finance

* Approval Limit :

HOD	: Up to RM1,000.00
GM	: Up to RM5,000.00
ED	: Above RM5,000.00



Name : _____

Department : _____

Purpose/Project : _____

No	Item Description	Amount (RM)	Remarks
	Total		

Applied by : _____ Verified by : _____
(Immediate Superior)

Date : _____ Date : _____

Approved / Rejected

HOD / Senior Finance Officer
Date:

I hereby acknowledge receipt of the amount as stated above and attached herewith, the relevant receipts/supporting documents as proof of expenditure incurred.

Reimbursement Received	
By	
Amount (RM)	
Date	



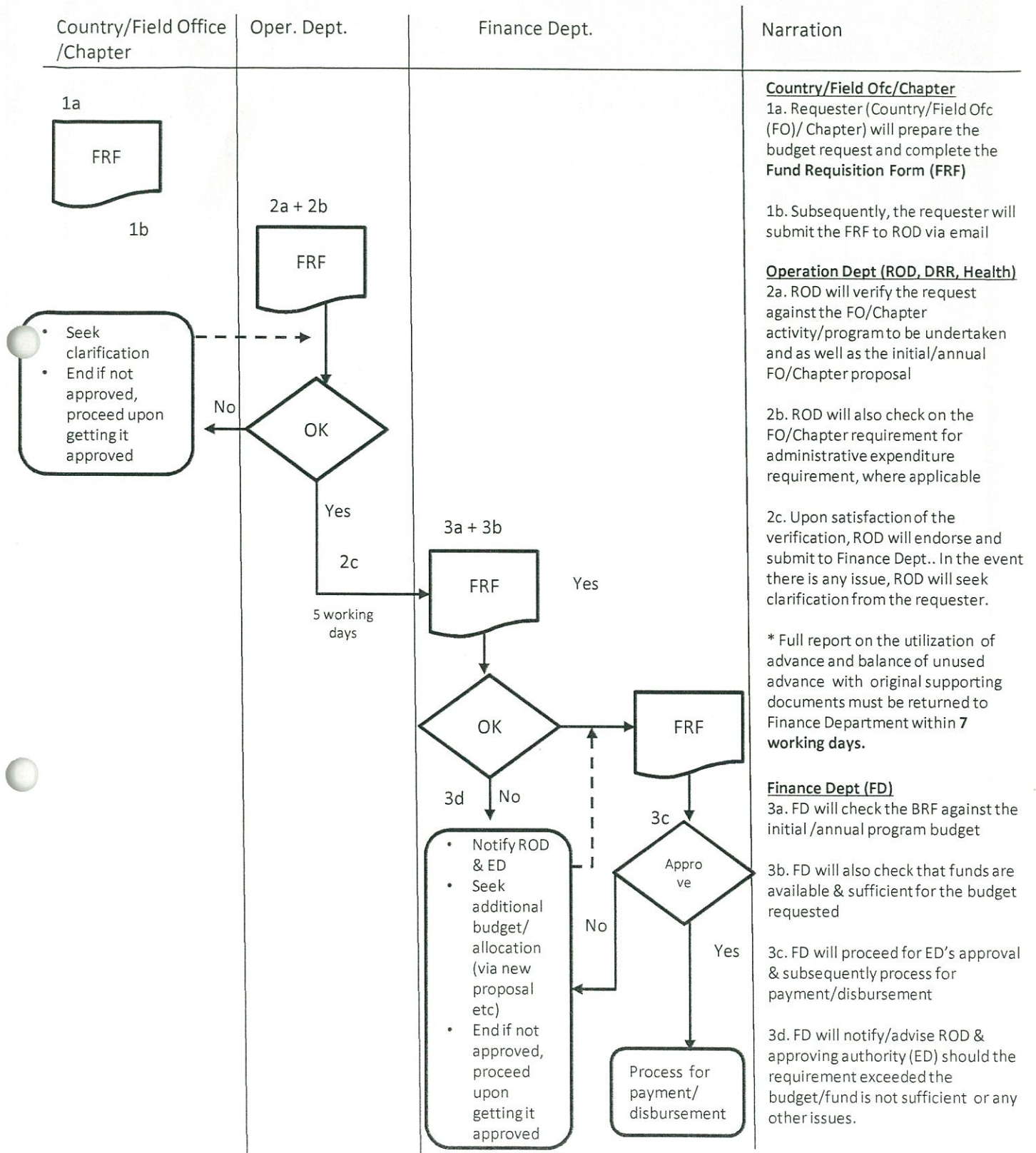
Country / Project	Date of Mission	Task	Team Member(s)	Fund	Analysis Code	Remarks
:	:	:	:	:	:	:

Assistant
Date:

[illegible]

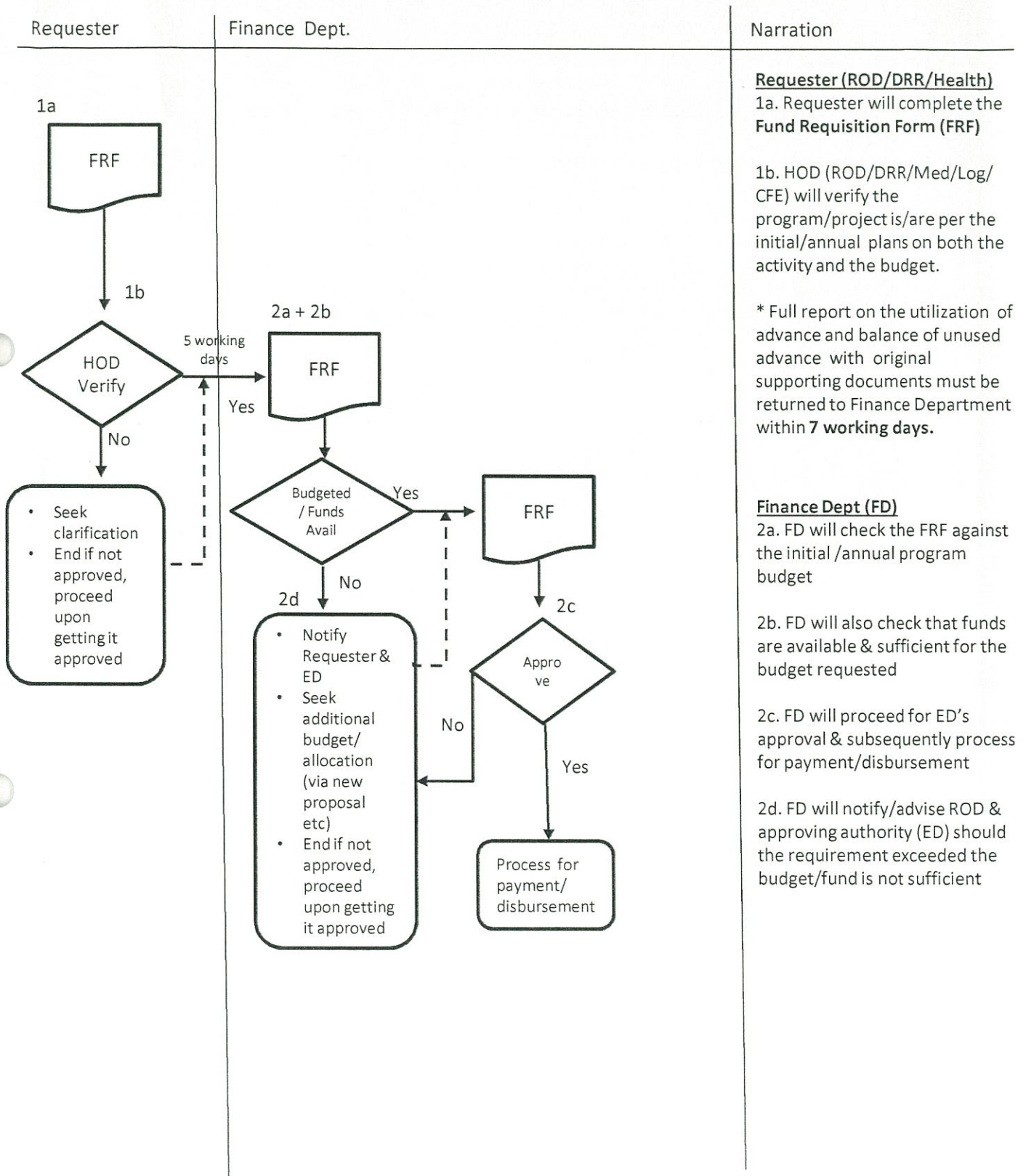


ADVANCE FOR PROGRAM/PROJECT via CHEQUE OR TT
(For Program/Project which Proposal/Master Budget has been approved)





ADVANCE FOR PROGRAM/PROJECT/MISSION via CASH
(For Program/Project which Proposal/Master Budget has been approved)



100

THEORY OF THE EARTH

OF THE EARTH AND ITS HISTORY

The theory of the earth is a branch of geology which deals with the origin and development of the earth and its various parts. It is a science which seeks to explain the processes which have shaped the earth and its history.

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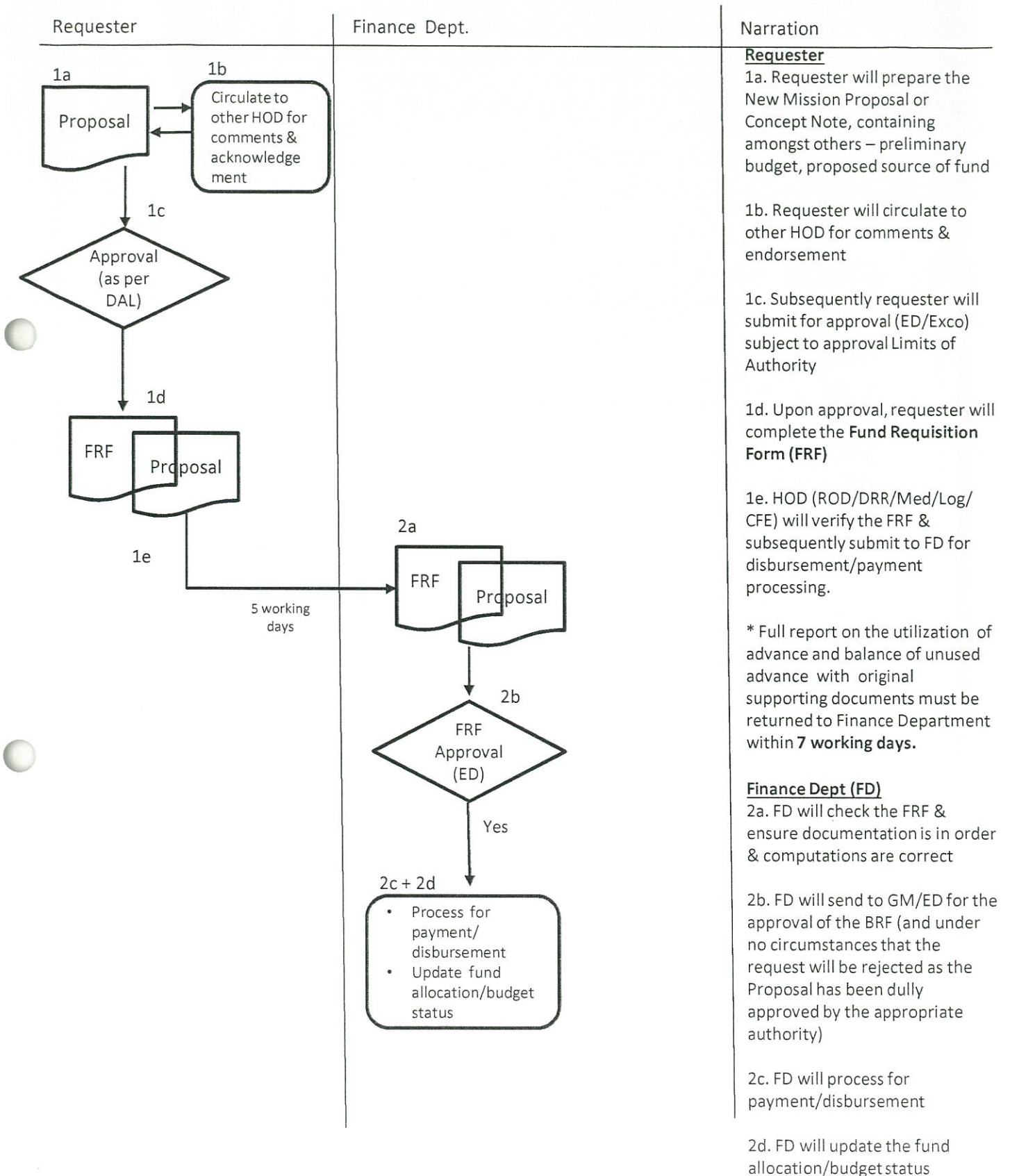
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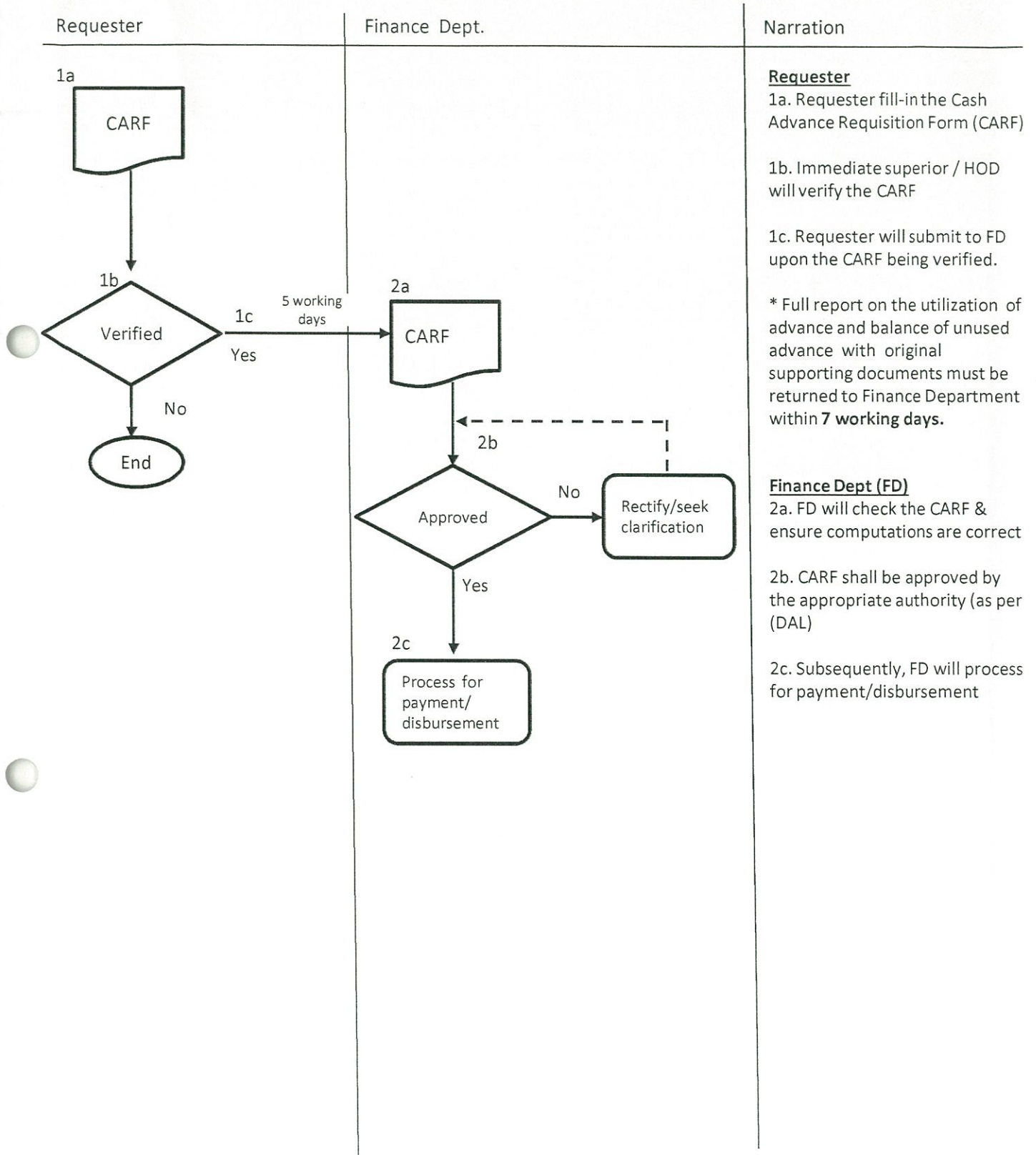
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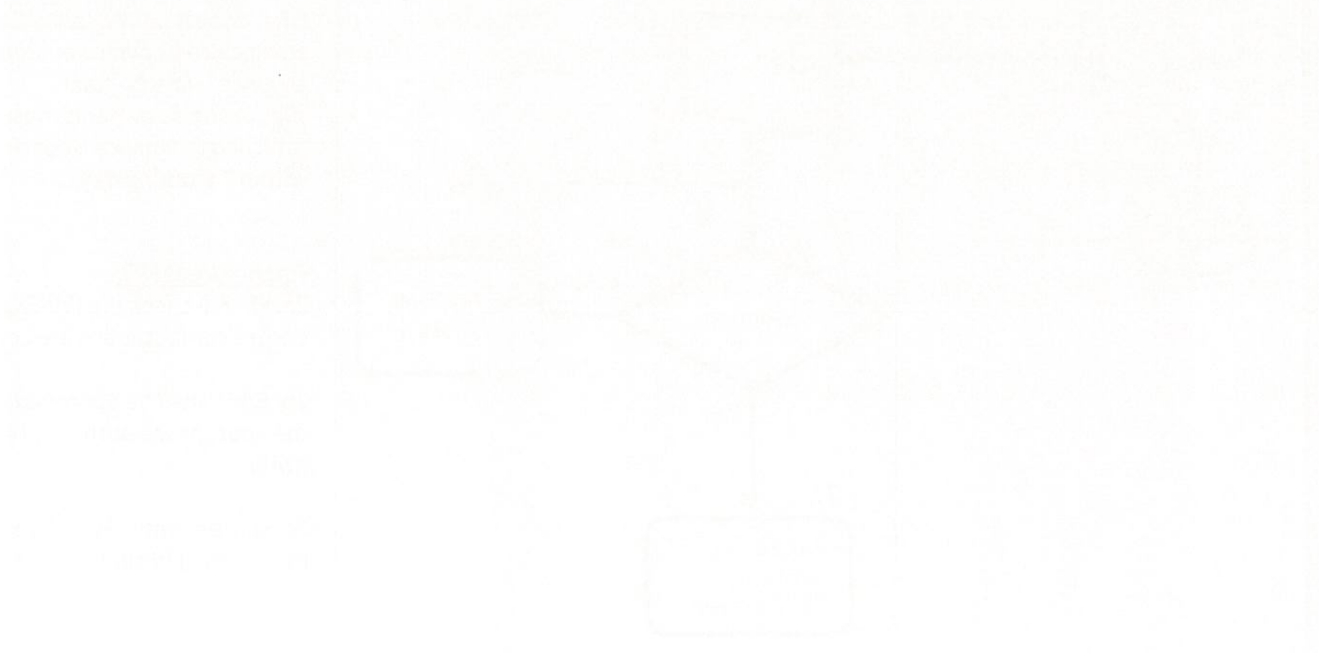
ADVANCE FOR NEW MISSION via CASH



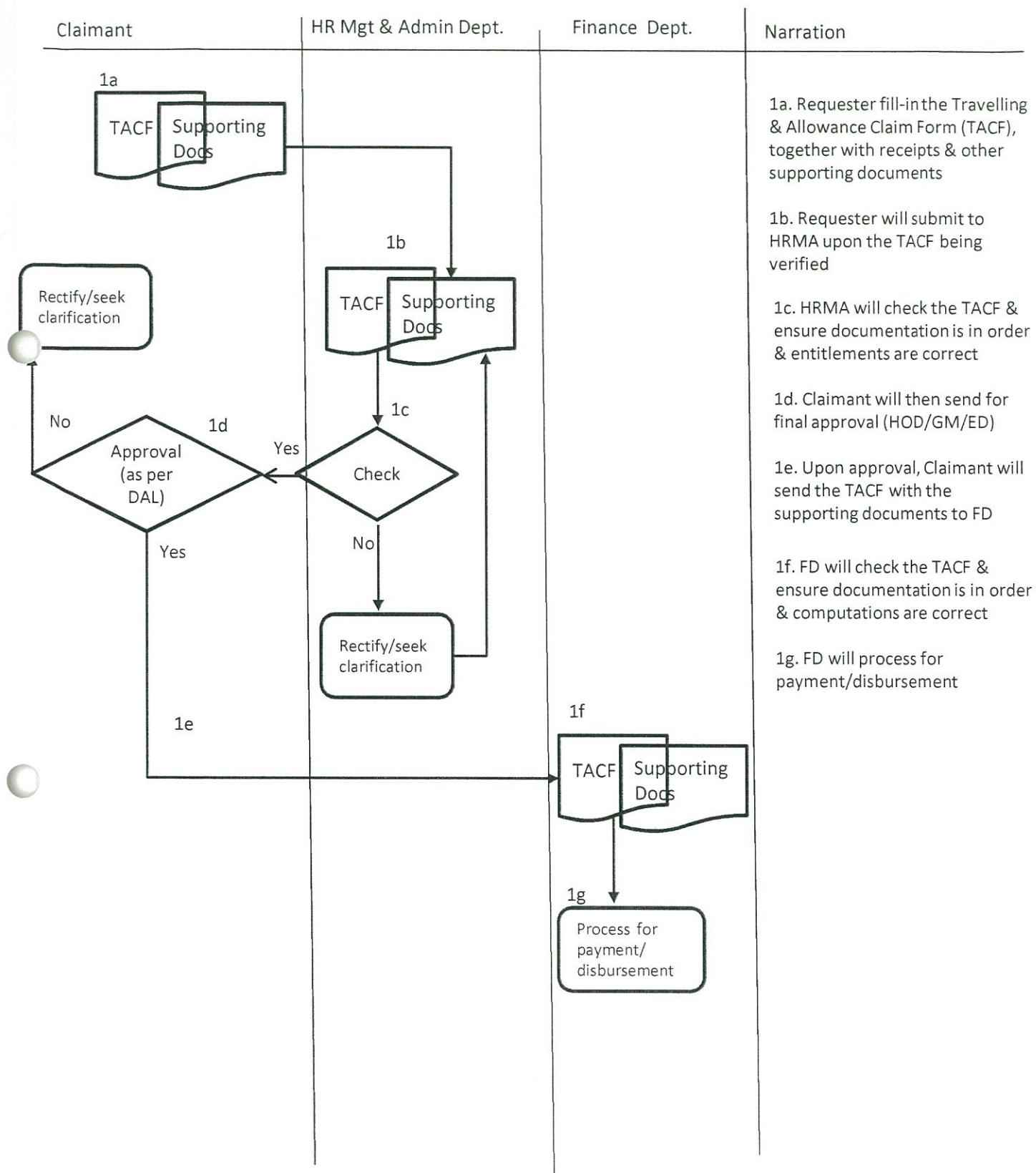
ADVANCE FOR NON MISSION via CASH
(below RM300 or in the event of urgent requirement)



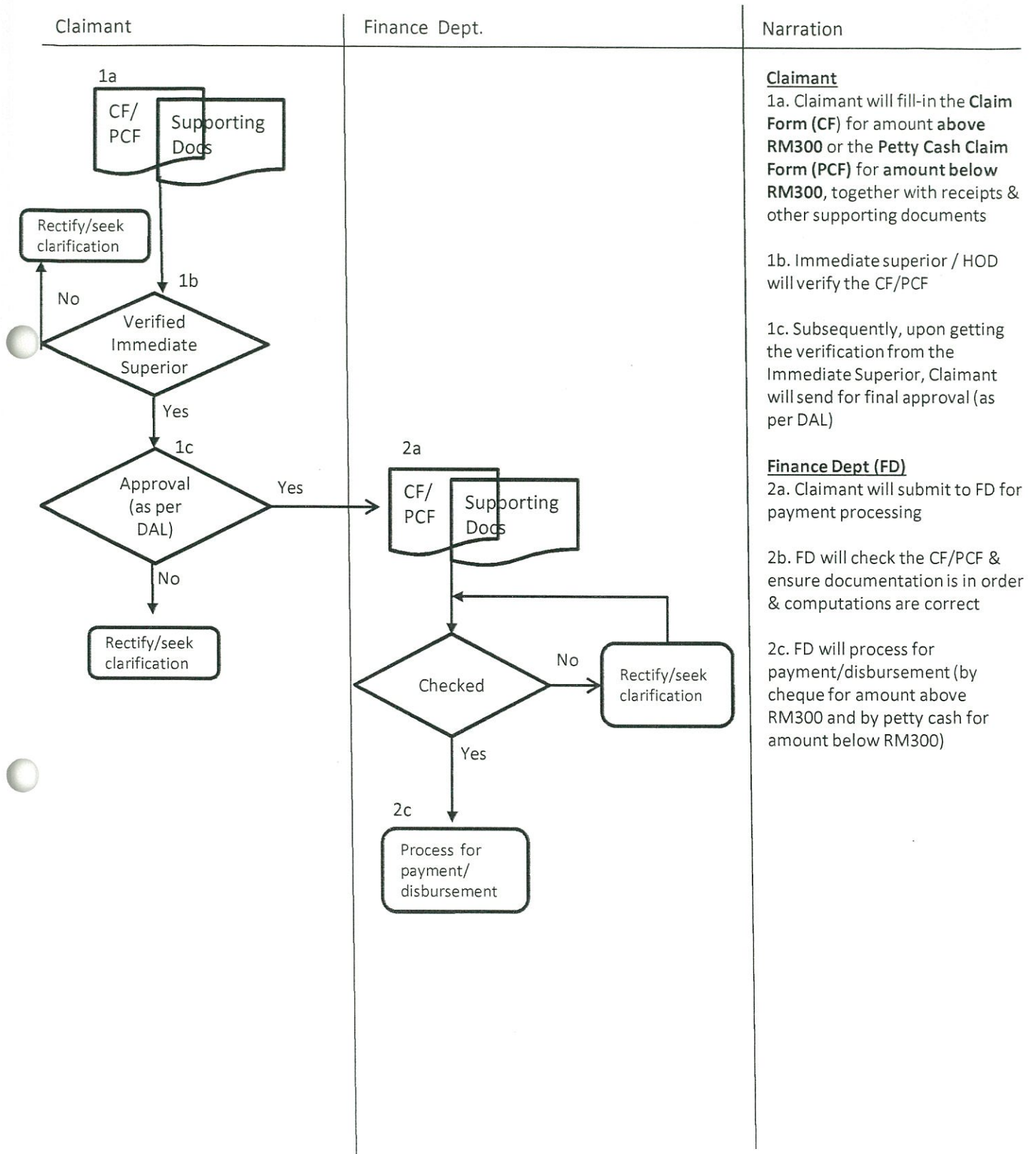
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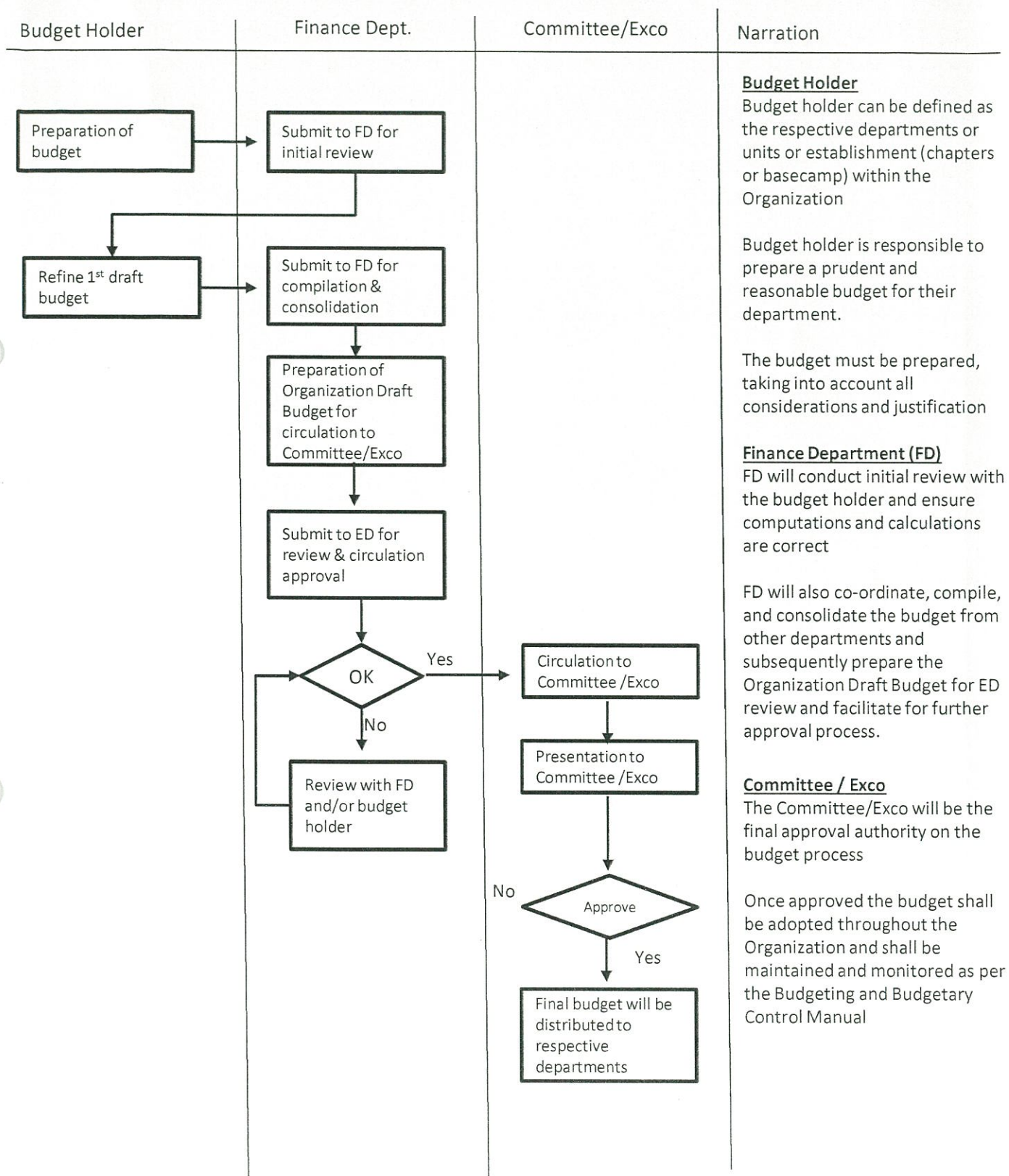
DISBURSEMENT OF CLAIMS – TRAVELING & ALLOWANCE CLAIM (above RM300) via CHEQUE

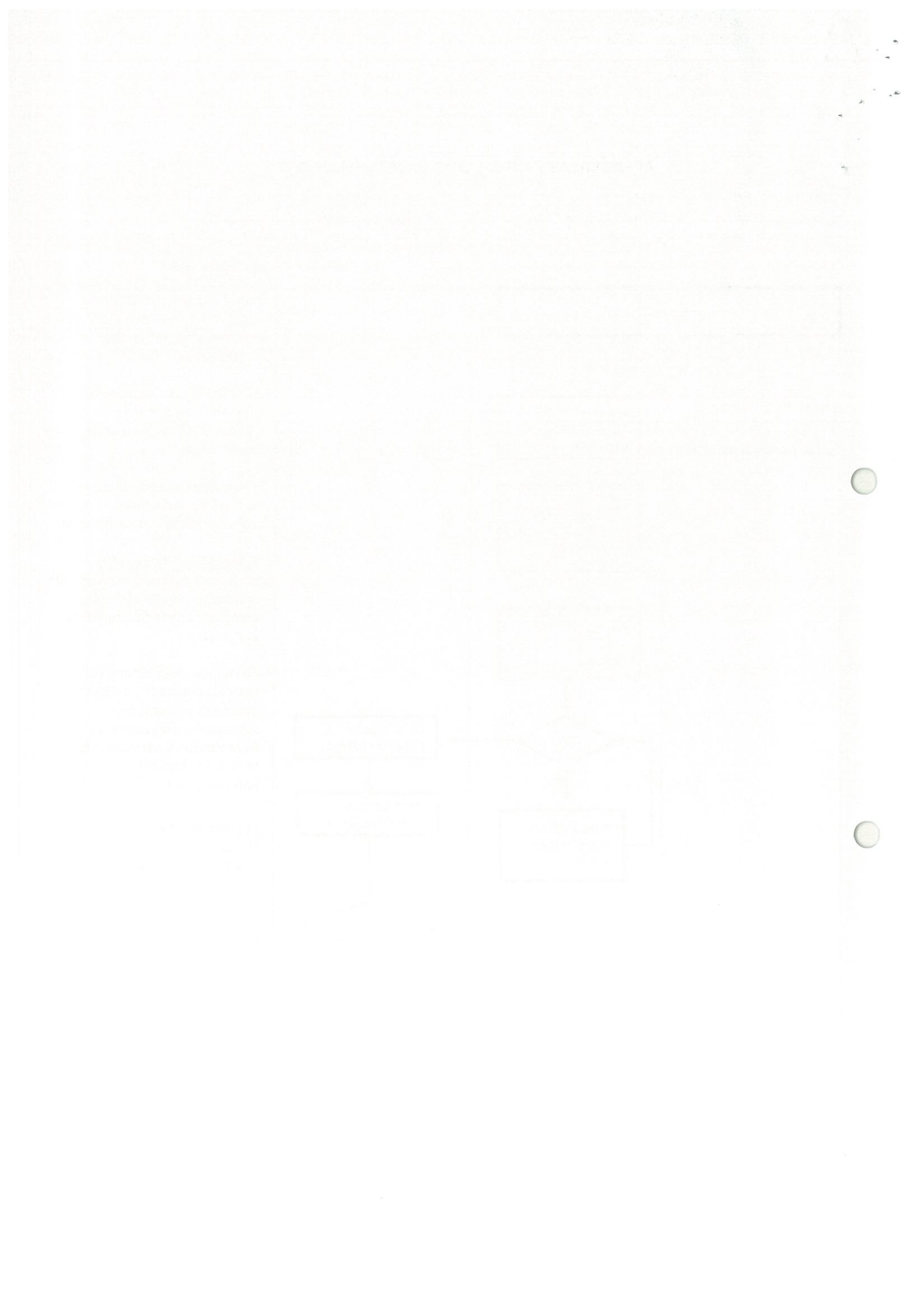


DISBURSEMENT OF CLAIMS – GENERAL CLAIM

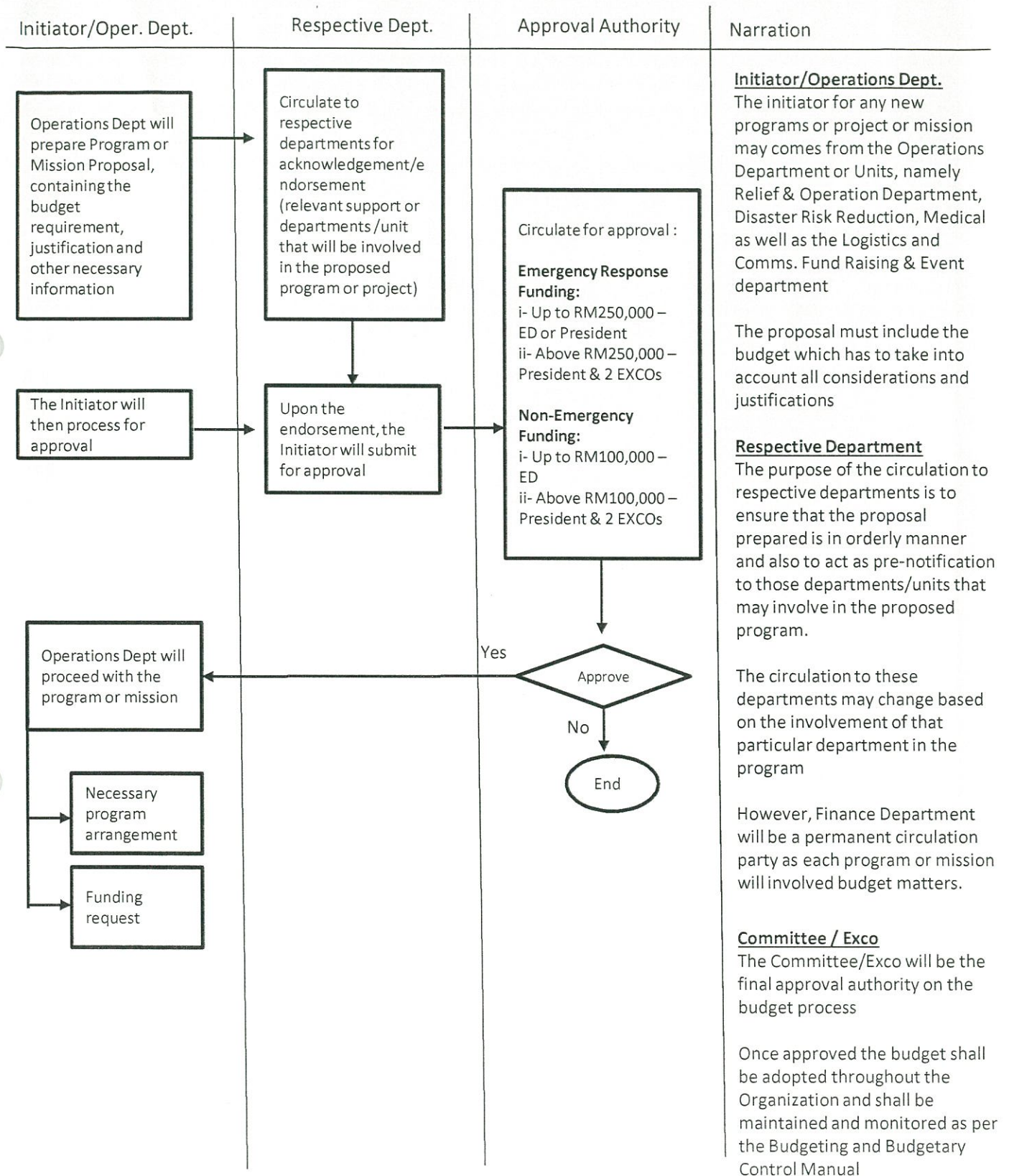


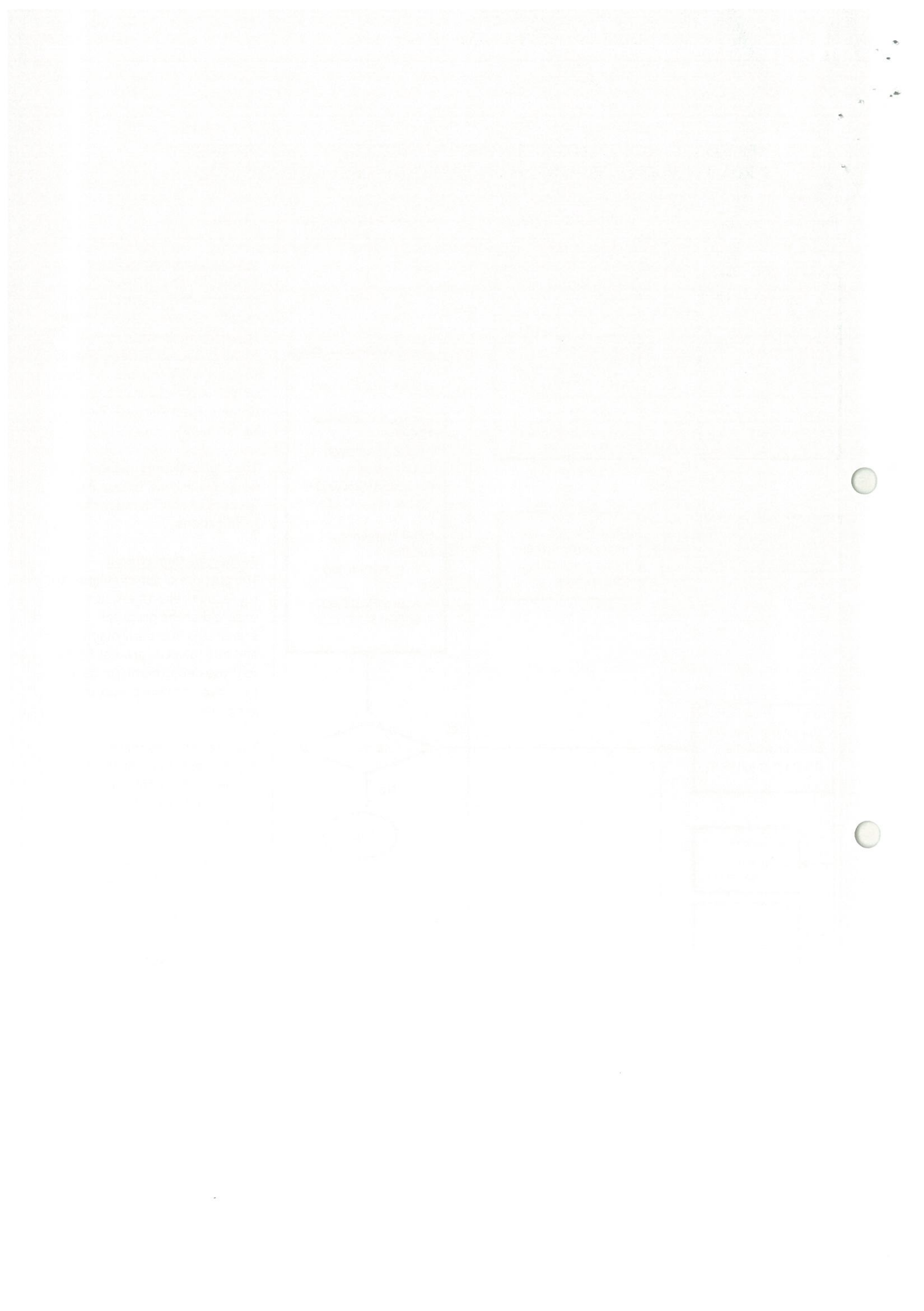
APPROVAL OF ANNUAL ORGANIZATION BUDGET





**APPROVAL OF BUDGET FOR DISASTER OR CRISIS MISSION & NON-DISASTER
(FROM EMERGENCY RESPONSE FUNDING OR NON-EMERGENCY FUNDING)**





APPROVAL OF BUDGET FOR NEW PROGRAM WITH PARTNER OR DONOR (seeking for fresh funds)

Initiator/Oper. Dept.	Approval & Respective Dept.	Partner / Donor	Narration
<p>Operations Dept will prepare Program or Mission Proposal, containing the budget requirement, justification and other necessary information</p> <p>The Initiator will then process for internal approval</p>	<p>Circulate to respective departments for acknowledgement/ endorsement (relevant support or departments /unit that will be involved in the proposed program or project)</p> <p>Circulate for approval : Local - ED Overseas - President & ED</p> <p>M&E will make necessary arrangement for the MOU/LOU</p> <p>FRE will conduct necessary follow-up with partners/donor on the funds</p> <p>FD will monitor and notify the Initiator on the receipt of funds</p>	<p>Presentation to Partner/ Donor</p> <p>Agreed</p> <p>Yes</p> <p>Sign MOU / LOU</p> <p>Partner /Donor will arrange to disburse fund</p>	<p>Initiator/Operations Dept. The initiator for any new programs or project or mission may comes from the Operations Department or Units, namely Relief & Operation Department, Disaster Risk Reduction, Medical as well as the Logistics and Comms. Fund Raising & Event department</p> <p>The proposal must include the budget which has to take into account all considerations and justifications</p> <p>Respective Department The respective departments will endorse the proposal prior to processing for internal approval</p> <p>Upon reaching the agreements with the Partner/Donor, the respective department will do the necessary with regards to the initial part i.e. documentations and receiving of funds</p> <p>As a General Rule, the program or mission shall not commence until the fund is received</p> <p>Partner/Donor The Partner or Donor will enter into an agreement if they agrees to the proposal</p>

APPROVAL OF ADDITIONAL BUDGET / RE-ALLOCATION OF BUDGET

