

**INTERNAL CONTROL POLICIES AND PROCEDURES ON CASH
MANAGEMENT PRACTICES OF PLANTERS
PRODUCTS INCORPORATED**

Case Study

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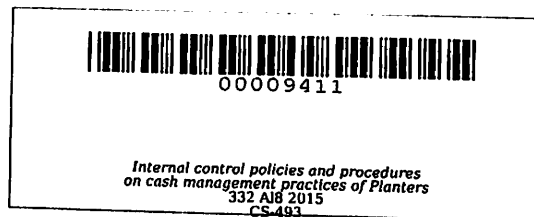
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**INTERNAL CONTROL POLICIES AND PROCEDURES
ON CASH MANAGEMENT PRACTICES OF
PLANTERS PRODUCTS INCORPORATED**

A Case Study
Submitted to the Faculty of the
College of Economics, Management and Development Studies
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In partial fulfillment
of the requirements for the degree
Bachelor of Science in Business Management
major in Financial Management



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ABSTRACT

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This case study was conducted to analyze the internal control policies and procedures on cash management practices of Planters Products Incorporated, located at 4/F Planters Products Inc. Building, 109 Esteban Street, Legaspi Village, Makati City. It was conducted from April 13 to May 28, 2015.

Specifically, the study analyzed the history of the company, organization and management, and products and services offered by the company. The study also aimed to determine and analyze the internal control policies and procedures used by the company for proper management and protection of cash. Problems encountered by the company which are related to the internal control policies and procedures on cash management of the company were also identified and given feasible solutions beneficial to the firm.

Internal control by its very nature is essentially a managerial responsibility. Internal control consists of all the related methods and measures adopted within a business to safeguard assets, and enhance the reliability of accounting records and related activities. Effective internal controls include cash forecasting, weekly budgeting, management of multiple bank accounts, management of cash in bank and cash deposits, use of check as form of payment, and management of petty cash fund.

The SWOT Analysis used in the study showed that the company exercised best practices of internal control that lead to security of cash. However, proper monitoring should always be practices to avoid poor cash management decisions.

The company, in its pursuit of attaining corporate objectives and goals, commits itself to the principles and best practices of internal control policies and procedures on cash management practices. These controls are directed towards building a company that adopts best practices in the area of systems and discipline.

Improvement in the internal control system and proper storage of documents were recommended to the company.

TABLE OF CONTENTS

	Page
BIOGRAPHICAL DATA	i
ACKNOWLEDGMENT	ii
ABSTRACT	v
LIST OF TABLES	vii
LIST OF FIGURES	viii
LIST OF APPENDICES	ix
INTRODUCTION	1
Significance of the Study	2
Objectives of the Study	3
Time and Place of the Study	3
Scope and Limitations of the Study	4
Definition of Terms	4
METHODOLOGY	5
Collection of Data	5
Method of Analysis	5
Time Table of Activities	6
DESCRIPTION OF THE COMPANY	9
Historical Background	9
Location of the Company and Layout.	10
Organization and Management	13
Products and Services Offered	19

Internal Control Policies and Procedures on Cash Management Practices of the Company	19
Cash Forecasting.	20
Weekly Budgeting	20
Management of Multiple Bank Accounts	21
Management of Cash in Bank And Cash Deposits	24
Use of Check as Form of Payment	26
Management of Petty Cash Fund	28
Problem of the Company	31
Plans of the Company	31

ANALYSIS OF THE INTERNAL CONTROL POLICIES AND PROCEDURES ON CASH MANAGEMENT PRACTICES OF PLANTERS PRODUCTS INCORPORATED	32
--	-----------

Strengths	32
Weaknesses	35
Opportunities	36
Threats	38

SUMMARY, CONCLUSION AND RECOMMENDATIONS	39
--	-----------

Summary	39
Conclusion	41
Recommendations	41

REFERENCES	43
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APPENDICES	44
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LIST OF TABLES

Table		Page
1	Time table of Activities	7
2	SWOT Analysis of the internal control policies and procedures of Planters Products Incorporated on cash management practices, 2015	33

LIST OF FIGURES

Figure		Page
1	Location map of Planters Products Incorporated	11
2	Layout of Planters Products Incorporated.	12
3	Layout of treasury office	14
4	Organizational structure of Planters Products Incorporated	15
5	Organizational structure of finance department	18
6	Flow chart for weekly budgeting	22
7	Flow chart for cash deposits	25
8	Flow chart for use of check as form of payment	27
9	Flow chart for management of petty cash releases	30

LIST OF APPENDICES

Appendix	Page
1 Letter of request to the company	45
2 Memorandum of agreement	47
3 Time card	50
4 Certificate of completion	53
5 Evaluation form	55
6 List of AgroChemical products of Planters Products Incorporated	57
7 Routing Slip	59

INTERNAL CONTROL POLICIES AND PROCEDURES ON CASH MANAGEMENT PRACTICES OF PLANTERS PRODUCTS INCORPORATED

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INTRODUCTION

Internal control is a process in which tasks or transactions follow a required procedure that is set by the company. It is affected by an organization's structure, work and authority flows, people and management information systems, which are designed to help the organization accomplish specific goals or objectives. It is a means by which an organization's resources are directed, monitored, and measured. It plays an important role in preventing and detecting fraud and protecting the organization's resources, both physical (cash, machinery and property) and intangible (reputation or intellectual property such as trademarks) (Schwartz, 1992).

Internal control over operations is an important part of any well-run business. It is defined by Statement of Accounting Standard 55 as "the policy and procedure established to provide reasonable assurance that specific entity objectives will be achieved." In other