



DR. PABLO O. TORRE  
MEMORIAL HOSPITAL

# RIVERSIDE MEDICAL CENTER, INC.



METRO PACIFIC HEALTH  
THE HEART OF FILIPINO HEALTHCARE

<b>DEPARTMENT:</b> Human Resources Division		<b>POLICY NUMBER:</b> DPOTMH-APP-ER/LR-P009-(01)	
<b>TITLE/DESCRIPTION:</b> POLICY ON THE CHARGING OF SHORTAGES TO REVENUE CENTERS AS RESULT OF THE BIENNIAL INVENTORY COUNT			
<b>EFFECTIVE DATE:</b> December 22, 2023	<b>REVISION DUE:</b> December 21, 2026	<b>REPLACES NUMBER:</b> N/A	<b>NO. OF PAGES:</b> 1 of 4
<b>APPLIES TO:</b> All Employee’s of RMCI		<b>POLICY TYPE:</b> Administrative	

## PURPOSE:

This policy aims to establish standard guidelines and procedures for the proper investigation of inventory shortages incurred by revenue/cost centers based on the biennial inventory count and the facilitation of charging of shortages to employees' account.

## DEFINITIONS:

**Mid-Year Inventory**-The procedure done during the middle of the year that conducts an actual count of each item on hand. It verifies that actual quantity versus the quantity recorded in the books and accounts for the existence and completeness of items.

**Net Overages**-Summary of positive and negative unaccounted variances that resulted to a positive balance

**Net Shortages**-Summary of positive and negative unaccounted variances that resulted to a negative balance

**Year-End Inventory**-The procedure done towards the end of the year that conducts an actual count of each item on hand. It verifies that actual quantity versus the quantity recorded in the books and accounts for the existence and completeness of items.

## RESPONSIBILITY:

Department Heads, Section Heads, Inventory and Cost, Human Resources Division, Payroll

## POLICY:

1. The Employees Relations/Labor Relations shall collaborate with the Inventory and Cost Section in the investigation of the shortages incurred by the Revenue/Cost Centers as result of the Mid-year and Year-end Inventory Count.
2. Identified Revenue Centers with shortages shall be informed by the Inventory and Cost Section, HR ER/LR is copy furnished.
3. As a general rule, gross shortages shall be charged to the Revenue Center personnel while gross overages shall be recorded as income of the Revenue Center.
4. However, net overages shall **NOT** be used to offset the net shortages.
5. All Revenue Center personnel who incurred gross shortage after the inventory count shall go through due process of investigation, spearheaded by the HR ER/LR Section.

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6. Once the decision of the investigation has been released, the Revenue Center personnel shall opt to pay the outstanding balance outright at the cashier or may pay it through salary deduction.
7. If an employee, who is accountable to shortages, resigns, the outstanding dues shall be deducted from his/her separation pay.
8. This policy shall supersede all policies and procedures pertaining to the charging of shortages to revenue centers.
9. To illustrate the revisions, you may refer to the table below:

Previous reference for reckoning of shortages	New application
Php 50,000.00 – Gross Shortage	Php 50,000.00 – Gross Shortage
<u>Php 25,000.00 – Gross Overage</u>	<u>Php 25,000.00 – Gross Overage</u>
Php 25,000.00 – Net Shortage	Php 25,000.00 – Net Shortage
Php 25,000.00 – Payable	Php 50,000.00 – Payable (Gross Shortage)





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<b>PROCEDURE (SOP):</b> N/A
<b>WORK INSTRUCTION:</b> N/A
<b>WORK FLOW:</b> N/A
<b>FORMS:</b> N/A
<b>EQUIPMENT:</b> N/A
<b>REFERENCES:</b> N/A







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