

# **IOU Policy**

**Version:** 1.01

**Date:** 30/7/2015

**Definition (IOU):** IOU is an acronym of 'I Owe You'. It is a non-negotiable debt instrument addressed to a creditor, dated, and signed by the borrower. It serves as an informal acknowledgment of a debt of a specified sum taken by a debtor from a creditor.

**Purpose: IOU** document allows a person i.e. employee of Genuity Systems Ltd ("GLS" or the Company) to borrow money to meet urgent or emergency situations where normal expense or cash transaction procedure is not practical to be followed immediately. IOU may be initiated to cover purchase of admin related products/services, travel expenses, purchase of official gifts etc. As a general rule IOU should not be initiated to cover foreseeable and or major expenses which need to be covered per Annual Procurement Plan (APP) under the supervision of Company's standing Purchase Committee.

**Authorization to Raise IOU:** Heads of departments are authorized to originate an IOU. With the approval of departmental head an employee can borrow money by this procedure.

**Fund Withdrawal Limit:** Through IOU, Departmental Heads may authorize withdrawal of maximum Tk. 25,000 (Twenty five thousand) while General Managers (GM) may approve an IOU for up to Tk. 50,000. Executive Director (ED) may approve an IOU for amounts up to Tk 100,000 (one lac). If larger amount (over Tk. 1 lac) is required, approval of the CEO or a Director is required.

**Adjustment of IOU Fund:** The adjustment of fund withdrawn through IOU should be made within 2 (two) weeks of disbursement. This adjustment should be as per normal procedure for business expenses. If this is not adjusted within 2 weeks, Manager of Accounts Department will send a reminder mail to the borrower with CC to the ED. The Departmental Manager will be personally liable for any IOU remaining unadjusted for over four weeks. In extreme cases i.e. for IOU remaining unadjusted for over four weeks GSL Accounts has the right to settle the unadjusted due amount of IOU from borrower's salary.

**Management's Discretionary Authority:** In all circumstances the BoD of the Company reserves the right to change or approve deviations of this policy considering greater interest of the Company.

## Approval Limits

Management Grades	Approval Limit (BDT)
CEO/Directors	Any Amount
Executive Director	100,000.00
General Manager	50,000.00
Head of Department	25,000.00

**Procedure of IOU:** The borrower has to apply to GSL Accounts on IOU form mentioning the purpose.

### **IOU Form**

Date.....

Name of Borrower :.....

Designation : .....

Purpose : .....

.....

.....

Amount (Taka) : In Figure:.....

In Word :.....

.....

Approved by                      Paid by                      Received by

(Name:.....)    (Name: .....)    (Name: .....) )

Approved By: \_\_\_\_\_; Position: \_\_\_\_\_ Date: \_\_\_\_\_