1. Objective

The objective of this procedure is to describe all the activities associated in handling the payable Accounts of Axiom Telecom.

2. Scope

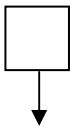
The procedure covers the activities carried in the regions where Finance carries out its activities

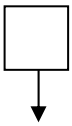
3. Inputs

- Reconciliation Report
- Creditors Ledger
- Asset Form
- Bills
- Expenses Claim Form
- Invoice
- Purchase order

4. Requirements

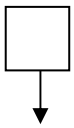
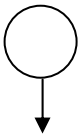
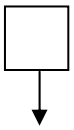
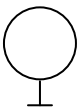
axiom telecom Maximum Communication	**FINANCE MANUAL** **Accounts Payables**	Document No: AT/F/SOP Issue No :01 Revision No :00 Date :
Activity : **Pre-activities Requirements**	**KPI:**	Supplier control set up in system

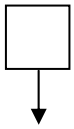
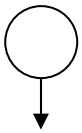
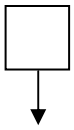
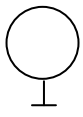
Input / Reference	Process Sequence	Process Step	Responsibility	Record Generated
Supplier Creation (Stock)	In case the supplier is a group supplier; creation to be done by ERP Finance Analyst. Category Manager sends E-mail requesting the creation with the following information (Supplier name-contact person, and payment terms & countries to be activated), As for merchandize local suppliers, Category Manager sends notification as E-mail plus hard copy of the contract. If it is a tax supplier photo copy from tax card to be provided too. In case of Foreign suppliers, Category Manager must send formal letter from the supplier include bank detail (account No. Swift code, etc) as reference of any further payment of invoices to this account. *If the supplier is consignment; Category Manager must mention that in e-mail (if it doesn't mention; it's normal supplier).* *Benefits from the supplier (credit notes received)* *for example (incentive, rebate , discount , special deals) category manager should inform finance of the amount and type of benefit to ensure correct accounting treatment is done.*		Category Manager	E-mail (Supplier creation requisition - before any activity took place)
	For local suppliers; creates supplier in Oracle and sends supplier number to Category Manager *(Within 24hrs)*. Liability Account has to be mentioned according to the nature of the supplier, & if tax available, specify the tax % category + withholding tax (if any). One supplier should have minimum one site & if for more than one country (international supplier, then each country will have one site).		AP Supervisor/ ERP Finance Analyst	E-mail (Supplier creation)

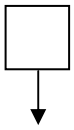
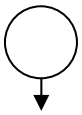
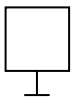
Supplier Creation (Non-stock)	Sends E-mail in details with supplier name, contacts, payment terms and hard copy from the contract, tax card (if any).		Purchase Coordinator	E-mail (Supplier creation requisition - before any activity took place)
	Creates supplier in oracle and sends supplier number to Purchase Coordinator *(Within 24hrs.)* Liability Account has to be mentioned according to the nature of the supplier, & if tax available, specify the tax % category + withholding tax if any.		AP Supervisor	E-mail (Supplier creation)

5. Activities

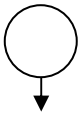
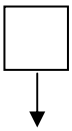
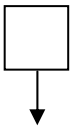
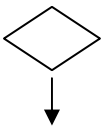
axiom telecom Maximum Communication	**FINANCE MANUAL** **Accounts Payables**	Document No:AT/F/SOP-5A Issue No :01 Revision No :00 Date :
Activity : Capturing invoices	**KPI:**	

Input / Reference	Process Sequence	Process Step	Responsibility	Record Generated
Stock supplier / Non stock suppliers items received in warehouse	Prepare Warehouse Stock Received Vouchers (SRV) log sheet for the day sign it & get it signed by Warehouse Manager		Payables Accountant *(located at warehouse)*	Stock Received Vouchers log sheet signed.
	Reconcile Warehouse Stock Received Vouchers log sheet match with ERP Supplier Goods Receipt Report confirming all the GRNS' have been captured in system In Case of short delivery, logistic inform AP supervisor about the difference & the gap to be covered by Whom (insurance Credit note on supplier, forwarded…)		Payables Accountant *(located at warehouse)*	Reconciliation between SRV log sheet & ERP Supplier Goods Receipt Report
	Validate documents of GRNS' against log sheet or Supplier good receipt report. Documents to be validated should contain the following: 1- SRV 2- Supplier invoice 3- Air Way bill 4- Copy of the PO (ERP will run automatically pay on receipt auto invoice which will push the GRN to Payables Module)		Payables Accountant *(located at warehouse)*	GRN available in supplier account & ready for future payments. Send all document of that day to AP Supervisor (*located at the office)* for review & filing.
	Review all GRNS' documents sent by accountant & the log sheet to confirm correctness of information & file the same for future payments		AP Supervisor	Sign log sheet confirming all documents received & having all necessary documents attached.

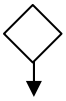
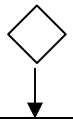
Non stock suppliers/ expense suppliers/ services (no stock delivered to warehouse) + Fixed assets	Create PO in system as per DOA requirements & specify the related account allocated (for fixed assets it will always be assets clearing account)		Purchase Coordinator	ERP PO creation as per DOA
	Reviews PO with allocated account & provides the same for Country Finance Manager for approval		**GL Supervisor**/ Country Finance Manager	Approved PO as per DOA & correct data entry.
Non stock suppliers/ expense suppliers/ services (no stock delivered to warehouse)	Insure the following: 1. 3 quotations available when stated by DOA (or approved supplier list). 2. Insure approved PO is already available (if stated by DOA) 3. Confirm item receivable (i.e. stationary …), or service already rendered by obtaining the signatory of the requestor department. 4. Validate the system invoice (Pay on receipt auto invoice) against physical document & account the same (ERP create accounting) & initiate for approval. Write down the system generated voucher # on the invoice for easy tracking. 5. Organize all documents, & forward for AP supervisor for review & approval.		Payables Accountant	DOA chapter I / ERP PO approved + invoice created
	Verify all documents received, & approve ERP. Once approved, Payables transfers to GL (Auto run by day end) will push the entry to GL module.		AP supervisor	By day end Auto run to GL Module

Non stock suppliers/ fixed assets purchases	Insure the following: 1. 3 quotations available when stated by DOA (or approved supplier list). 2. Insure approved PO is already available (if stated by DOA) 3. Confirm item received (installed & / or ready for service) by obtaining the signatory of the requestor department. 4. Validate the system invoice (Pay on receipt auto invoice) against physical document & account the same (ERP create accounting) & initiate for approval. Write down the system generated voucher # on the invoice for easy tracking. 5. Organize all documents, & forward for AP supervisor for review & approval.		Payables Accountant	DOA chapter II / ERP PO approved + invoice created
	Review PO with allocated account & provide the same for Country Finance Manager for approval		**GL supervisor**/ Country Finance manager	Approved PO as per DOA & correct data entry.
	Provide copy of the fixed asset invoice to the GL Supervisor for updating fixed asset module by running 'Mass Addition Create' which will transfer the data to fixed asset module. *For immaterial fixed assets (less than 2000 EGP or funded from the supplier (as marketing activity) we should book in the fixed asset module with amount 0.1 country currency for tracking purposes.*		AP Supervisor	Copy of document provided to GL Accounts Supervisor

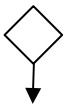
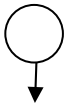
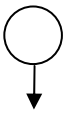
Activity Decision Review & Approval

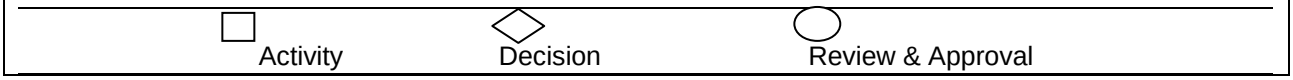
axiom telecom Maximum Communication	**FINANCE MANUAL** **Accounts Payables**		Document No:AT/F/SOP-5B Issue No :01 Revision No :00 Date :	
Activity :Supplier Reconciliation		**KPI:**	To maintain the Reconciliation variations should be Nil	
Input / Reference	**Process Sequence**	**Process Step**	**Responsibility**	**Record Generated**
Monthly basis Reconciliation	***Stock supplier cases***, Insures all suppliers GRN are already posted in the system up to the date of the reconciliation. ***For Non stock suppliers*** Insure all invoices captured & posted		AP Supervisor	Confirm all GRN captured (Max previous day log sheet & GRNS' yet to be posted)
	Statement from supplier to be received on monthly bases & reconciliation against supplier ledger to be conducted		AP Supervisor	ERP Axiom Creditors Ledger Report
	In case supplier account is common between two countries; provides the list of un-reconciled entries to the other countries to insure documents are recorded in that country		Payables Accountants of both countries	Pending items for reconciliation (information should be coordinated with 48 hours & feedback received for the same)
	Cases of un-reconciled entries: 1- Invoice appearing in supplier statement & not in our records. A) items are Good in transit & this is only if the stock not yet cleared or fresh delivery (max 7 days) B) Ask supplier for invoice copy plus airway bill as proof of delivery & confirm with logistics for the same. 2- Payment appearing in our records but not in supplier statement (keep copy of payment as proof of settlement with all the documentations		AP Supervisor & Country Finance Manager	*Un-reconciled accepted cases*

	3- Items related to other country & verification from the other country to be obtained. **4- <u>Any other case is not acceptable</u> as it means that we didn't fulfill the job requirement & discipline should be taken against staff responsible**			

	FINANCE MANUAL **Accounts Payables**		Document No:AT/F/SOP-5C Issue No :01 Revision No :00 Date :	
Activity :Supplier Payment		**KPI:**	On-Time payment to suppliers	
Input / Reference	**Process Sequence**	**Process Step**	**Responsibility**	**Record Generated**
Invoice Received by Accountant from Respective Department	Check invoice with purchase order for approval of Department Head		Accountant	Invoice / Purchase order
	Any variations / Purchase Order missing it will be clarified with concerned Department Head		Accountant	
	Book it in the ERP system for payment		Accountant	
	Payment terms are entered in the system		Accountant	
	Aging Report run on weekly basis for all existing suppliers for payments		Accountant	Aging Report
	Based on this the, Payments are made and send for signatures		Accountant	
	Bank payments vouchers made for approved invoices		Accountant	Bank payments vouchers
	Cheques prepared, gives to FM for verified and signed by CEO		Finance Manager & CEO	
	Payment delivered to the suppliers and obtained the signatures in the copy of the Cheque		Accountant	
	Supplier payment can be steam lined with Fixed dates- Recommendation		Accountant	

axiom telecom Maximum Communication	**FINANCE MANUAL** **Accounts Payables**	Document No:AT/F/SOP-5D Issue No :01 Revision No :00 Date :

Activity :Bank Payments		**KPI:**		
Input / Reference	**Process Sequence**	**Process Step**	**Responsibility**	**Record Generated**
Travel Claims / Local Expanses (Above petty cash limits)	Received from concern Personnel by Accountant in Expanses Claim Form		Accountant	Expanses Claim Form
	Verify for Departments Head's Authorization		Department Head	
Authorization for Bank payments should be defined related to, Tickets, purchases & personnel, etc	With proper Authorization the Cheque been made and with approval it has been issued		Accountant	
	Upon issue sign obtained from the Receiver and handover of Cheques		Accountant	



	FINANCE MANUAL **Accounts Payables**		Document No:AT/F/SOP-5E Issue No :01 Revision No :00 Date :	
Activity :P.R. Activities Expenses		**KPI:**	To provide On-Time & correct payment for P.R Activities	
Input / Reference	**Process Sequence**	**Process Step**	**Responsibility**	**Record Generated**
Visa. P.R (Govt. Related) Expenses	Based on Petty cash system, with P.R.O'S and all Bills are provided by the Govt. Related expanses		Payable Supervisor	
weekly basis inputs given to Accounts Payable and one week the payments been made	Verified with the PRO & Admin Coordinator for payments		Payable Supervisor	
	Books in the system (ERP system) for payment and documents also forward to approval		Payable Supervisor	
	Upon approval in the Expenses claim preparation of Bank Payment Voucher for payment transfers		Payable Supervisor	Expenses Claim form
	Accounts being debited		Payable Supervisor	
	Fixed limits for P.R.O activate (300000 AED) or less depending on the country needs.		Payable supervisor	
Activity		Decision		Review & Approval

axiom telecom Maximum Communication	**FINANCE MANUAL** **Accounts Payables**		Document No:AT/F/SOP-5F Issue No :01 Revision No :00 Date :	
Activity :Travel Expenses		**KPI:**	To maintain the Reconciliation variation < 5 AED	
Input / Reference	**Process Sequence**	**Process Step**	**Responsibility**	**Record Generated**
	Expenses claim form from concern Personnel. Advance for traveling will be approved by CEO only		CEO & Concern Dept. Head	Expenses Claim Form
	Department Heads will approve the same		Department Head	
	Verify the vouchers attached in the claim form		Payable Supervisor /GL Accountant	Voucher
	Any variations will be clarified with department heads and resolved prior to payment		Payable Supervisor /GL Accountant	Claim form
	Upon approvals and then the receivers signature has been obtained in the Expenses Claim Form, also all receipts are attached with the same		Payable Supervisor	
	All payments are made as per SOP-5D (or) SOP-5H			
Activity		Decision		Review & Approval

axiom telecom Maximum Communication	**FINANCE MANUAL** **Accounts Payables**	Document No:AT/F/SOP-5G Issue No :01 Revision No :00 Date :

Activity :Utility Bill Payments		**KPI:**	Make immediate payments for all approved Bills	
Input / Reference	**Process Sequence**	**Process Step**	**Responsibility**	**Record Generated**
DEWA, Telephone, Rent, etc	Bills are received by Admin. Dept		Admin Coordinator	Bills
	Admin. Verifies the bills for misuse of the same and forward to Accounts Department		Admin Coordinator	
Any variation / misuses payments will be agreed with the concern by Admin. and the info. Passed to Accounts	Put it in the excel sheet for payment to be done		Accountant	Utility Bill Monitoring Sheet
	Send to Finance Manager for this approval		Finance Manager	
	Cheques are prepared by the accountant for the payments and Bank Payment voucher made for all cheques prepared prior to issue		Accountant	Payment voucher
	Issue the Cheques along with Bills / to the concern DEWA / Etisalat/ etc		Accountant	
Bills need to be checked prior to payment for any personal calls for Reconciliation to be with Admin.				

axiom telecom Maximum Communication	**FINANCE MANUAL** **Accounts Payables**		Document No:AT/F/SOP-5H Issue No :01 Revision No :00 Date :	
Activity :Petty cash		**KPI:**	Petty cash Management and control related expesnses	
Input / Reference	**Process Sequence**	**Process Step**	**Responsibility**	**Record Generated**
As per Petty Cash DOA - Chapter I General Expenses **Policy 1.9 "General Expenses paid by Petty Cash"** Link: Policies & flow chart www.axiomeasy.com				

axiom telecom Maximum Communication	**FINANCE MANUAL** **Accounts Payables**	Document No:AT/F/SOP-5I Issue No :01 Revision No :00 Date :

Activity :Fixed Assets		**KPI:**		
Input / Reference	**Process Sequence**	**Process Step**	**Responsibility**	**Record Generated**
LPO / Invoice along with Asset form given to accounts	Approval by CEO / Concerned Manager will be verified by Accountant. ***Limits for approval to be Fixed & documented***	◯	CEO	Asset Form
	As per the credit terms agreed, the payment process starts	□	Admin. Manager	
	Along with invoice approval payments will be done	□	Accountant	Invoice
For work-in-progress will be treated as supplier credit, upon completion it will be transferred to Fixed Asset	Fixed assets will be transferred in system upon completion of payments	□	Payable Supervisor	
	Any warranty claims are maintained by the concerned department and upon approvals from concern Dept. only any payments will be made	□	Accountant	Invoice
	No verification for approval of invoices by the terms & conditions agreed with suppliers	□		
Prepare the analysis of working progress also to inform the concerned - Recommendation	Then the management does the Depreciation based on the fixed dues	□	Payable Supervisor	

□ Activity ◇ Decision ◯ Review & Approval

6. Outputs

- Purchase order
- Supplier Reconciliation Report
- Invoice
- Payment voucher
- Reconciliation Report
- Aging Report

7. Monitoring and Measurement

Refer to Process Control Sheet

8. Forms and Records

Name	Reference
Reconciliation Report	
Purchase order	
Creditors Ledger	
Statements of Accounts	
Supplier Reconciliation Report	
Asset Form	
Invoice	
Utility Bill Monitoring Sheet	
Payment voucher	
Expenses Claim Form	
Aging Report	
Invoice	
Purchase order	

9. Interfaces

None

10. Process Tailoring

KSA

Process tailoring done
Roles specific to KSA are specified in BLUE colour