Vendor Bill Process

Process –

Process to submit the vendor bills for the payments.

Current Procedure –

- Vendors submit the bill to the Admin – HR Department.
- HR Department review the bills and verify the bills (Amount, Quantity, Items).
- HR Department upload the bill on the Shared Drive.
- HR department maintains an Excel sheet to keep track of the bills received and their status (approved, pending, paid, etc.).
- If the bill is accurate and complies with company policies, it is forwarded to the Vice President (VP) for approval.
- The VP reviews the bill and approves, or rejects based on company policies.
- If the bill is approved, it is forwarded to the Finance department for TDS deduction in the total amount.
- The Finance department deducts TDS from the total amount and updates the Excel sheet with the payment details.
- The finance department initiates the payment to the vendor.
- After the payment is made, the Finance department updates the Excel sheet with the payment details.
- The HR department informs the vendor of the payment made.
- If the payment is pending due to any constraints, the bill is put on hold until sufficient information is not available.
- If the bill is rejected by the VP or Finance department, the HR department informs the vendor along with the reason for rejection.

Rules –

- The terms for making payments to vendor is after 30 days on the bill of submission.

Future Procedure (HIGH Level)

- There are following stakeholders involved in the vendor bill process:
  - Vendor – External Party
  - Admin Executive – STREAMS
  - Admin Manager – STREAMS
  - VP Operations – STREAMS
  - Executive – STREAMS
- **Vendor Set Up:**
  - A new vendor is added by Admin executive into the vendor Portal.
    - Legal vendor name, Subsidiary (India/USA), vendor payments terms and vendor address are added.
      - Payments Terms are Net 30, Net 60, Net 90.
  - Admin executive must add one primary vendor contacts information.
    - Name of the persons (First name & last name), Email, Phone Number.
  - **Control**:
    - A maximum of three contacts are allowed per vendor.
  - Admin executive may upload documents related to the vendor.
  - The Admin Manager is notified of the new vendor addition.
- **Vendor Approval**
  - Admin Manager review and approve the vendor record.
  - After the vendor record is approved, access to the vendor portal is provided to the vendor primary contact over the email.
- **Vendor Self-Service (Profile Management):**
  - Vendors maintain their profile in the vendor portal.
    - Add/update vendor contact information.
      - Name of the person (First name & last name), Email, Phone Number.
    - Add/update the bank information for the payment in the vendor portal. The vendor should upload the payment information in a document as well.
- **Vendor Management:**
  - When bank information is added or updated by the vendor it needs to be reviewed/approved by the Admin Manager.
  - The Admin Manager will review the documentation of the bank information uploaded by the vendor.
  - **Control:**
    - If there is no approved vendor bank information, then vendor invoice should not be created.
    - Vendor bank information cannot be updated by anyone other than primary contact.
    - Vendor bank information can be added by Admin executive/ Admin Manager on behalf of the vendor.
    - The creator of the vendor bank information cannot be the approver of it.

- **Vendor Contract Set Up:**
    - There could be one or many vendor contracts.
    - Vendor contracts are for a specific period, services, price and payment terms.
    - Admin executive/ Admin Manager can add the vendor contract information.
        - Start date, end date, quantity, purchase items, unit rate, amount (calculated field based on unit rate and quantity) in the vendor portal.
        - Contract documents should be uploaded as well.
    - Admin Manager to review and approve the contract.
    - The VP Operations review the contract and approves it.
    - **Control:**
        - The creator of the vendor contract cannot be the approver of it.
        - Vendor contracts should not be editable after approval.

- **Vendor Invoice Creation:**
    - Vendor invoices are created against the approved vendor contract.
    - Vendor contracts should display the total billed and pending amount for that contract.
    - Vendors select the active approved contract and generate the invoice for the services.
    - Vendor cannot change the rate, item on the vendor invoice (unit rate).
    - The amount field is automated based on the quantity and unit rate.
    - Vendors can upload the supporting documents.
    - Admin Manager and Admin executive can create vendor invoice on behalf of the vendor with the same above process.
    - **Control:**
        - Vendors can enter the quantity for the purchase item on the line.
        - The creator of the vendor invoice cannot be the approver of it.
        - Vendor invoices cannot be created beyond the vendor contract amount.
        - Vendors should be sent reminders to submit the vendor invoices by the 25th of the month.

- **Vendor Invoice Approval:**
    - If the invoices submitted by the vendor from the portal, then it is reviewed/approved by the Admin Executive/ Admin Manager.
    - All the invoices must be approved by VP Operations finally.
    - **Exceptions**:
        - If the invoice is added by the admin executive, then it is reviewed/approved by the Admin Manager.
        - If the invoice is added by the Admin Manager, then it is reviewed/Approved/Rejected by the VP Operations.
    - **Control**:
        - The creator of the invoice cannot be the approver for the same invoice.
- **Finance Process:**
    - The invoice is routed to finance after it is approved by the VP Operations.
    - Finance enters the TDS Percentage; this percentage calculates the amount to be paid to the vendor for that invoice.
        - The invoice should show the TDS amount separately.
    - Finance reviews the invoice and approves the payment.

- **Vendor Payment:**
  - The vendor bill is approved for the payment by **the Executive.**
  - The executive updates the payment date and payment amount for the vendor bill.
  - Vendor receives the payment details on his primary contact email address.
    - Payment details should include the TDS amount and the amount paid to the vendor.
  - Admin Manager also adds the vendor invoice status before send to finance.

- **Reports:**
  - Vendor report displays all the vendors and their status.
  - Pending vendor bank information.
  - Vendor contract report displays all the vendor contracts with the following information.
    - Contract number
    - Contract amount
    - Contract status
    - Total amount billed against the contract.
    - Total amount paid against the contract.
  - Pending invoice payment report (invoices that are approved but not paid).
  - Pending invoice report (invoices that are pending approval queue).
  - Vendors should be able to see their invoice status and payment details on the vendor portal.

- **Maintain status:**
  - Admin Manager Pending
  - Admin manager Rejected
  - Admin Manager Approved
  - VP Operations Pending
  - VP Operations Approved
  - VP Operations Rejected
  - Finance Pending
  - Finance Rejected
  - Pending Payment
  - Paid