BUSINESS PROCESS BLUEPRINT
PROCURE TO PAY

SAP BUSINESS ONE IMPLEMENTATION FOR

EVERGREEN HOMES, INC.

BUSINESS BLUEPRINT
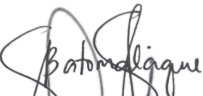# PROCURE TO PAY

CONFORME

Discussed By:

ABM GLOBAL SOLUTIONS, INC.

Business Application Consultant:	Sandy Batomalaque	*(signed)*	09/19/2020
Business Application Consultant:	April Hope Remandaban	*(signed)*	09/19/2020
Project Lead:	Jaswill Grace Bolivar	*(signed)*	09/19/2020
Manager:	Mayette Ramos	*(signed)*	09/19/2020
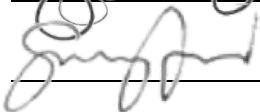
Approved By:

EVERGREEN HOMES, INC.

Project Sponsor:	Jerold King	
Project Manager:	Razille Fernandez	
IT Head:	Mark Joel Umadhay	

Presentation Date: September 18, 2020

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1   PROCESS REVIEW

1.1   Date and Place

The process review has been conducted at the following location:

Topic	Procure to Pay
Date	August 20, 2020
Time	9:00 am to 4:00 pm
Location	Microsoft Teams (Virtual Meeting)

1.2   Participants

EVERGREEN HOMES, INC.	
Name	**Function**
Razille Fernandez	Accounting Manager
Mark Umadhay	IT Head
Engr. Ramir J. Yap	Manager
Jervee Cardinal	System Administrator

ABM GLOBAL SOLUTIONS, INC.	
Name	**Function**
Sandy Batomalaque	SBO Functional Consultant
April Hope Remandaban	SBO Functional Consultant
Mayette Ramos	Manager

1.3 Agenda

Process review conducted to identify the following:

1. **Evergreen Homes, Inc's** major Purchaser processes;
2. Gap between **Evergreen Homes, Inc's** processes and SAP Business One processes;
3. Resolution to identified gaps

1.4 Purpose

Process recommendation discussion conducted to identify major Purchaser processes applicable to **Evergreen Homes, Inc's.**

1.5 Input

Business process discussion with **Evergreen Homes, Inc's core** team.

1.6 Output

The output of the Process Review is the Fit and Gap Analysis Matrix. The purpose of the matrix is to identify **Evergreen Homes, Inc's core** processes that can be reengineered and automated in SAP Business One. Moreover, list of transactions can be defined whether part of the scope, need to be customized or can be continued as currently practiced. Solutions to Gap and review of Fits are discussed in detail and verified against SAP Business One processes during the validation of Fit and Gap of **Evergreen Homes, Inc's** Core Team.

1.7 Scope and Prerequisites
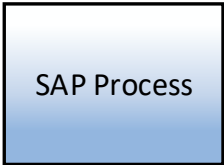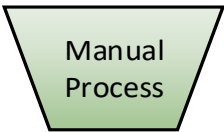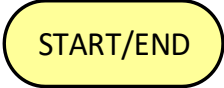
Project will follow standard SAP Business One. Thus, **Evergreen Homes, Inc's** core team is oriented prior to Business Process discussion. It is the responsibility of **Evergreen Homes, Inc's core** team to ensure that all business processes are covered.
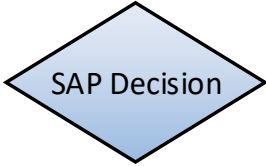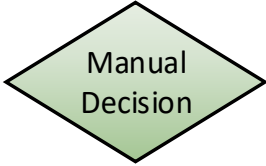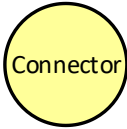
2 PROCESS DETAILS

2.1 SAP Terminologies

Term	Description
Purchase Blanket Agreement	This is a long-term contract between a Purchasing organization and a vendor, for the supply of items or provision of services over a period of time based on predefined terms and conditions.
Purchase Request (PR)	This enables users and employees in the organization to initiate a Purchasing process by submitting their needs for certain goods or services.
Purchase Quotation (PQ)	This is used in the canvassing process.
Purchase Quotation Comparison Report	Report used to compare multiple purchase quotation with standard preferred result.
Purchase Order (PO)	This is used to document orders, either Items or services, to Suppliers.
Goods Receipt PO (GRPO)	This is used to recognize receipt of items from the Supplier. In common terms, this is the Receiving Report (RR).
Goods Return	This is used to record return of items when no obligation/liability is recognized yet.
A/P Invoice	This is a mandatory document to recognize obligation to Supplier.
A/P Credit Memo (APCM)	This is used for any deduction to supplier's accounts. This is also used for items returned after an obligation is recorded.
AP Down Payment Invoice (APDPI)	This is used recognize payable for transactions involving advance payments, whether full or partial.
Outgoing Payments	This is the document used to record payments to suppliers.
Checks for Payment	This is used to define details of checks that needs to be paid to the supplier

2.2   Flowchart Symbols

Symbol	Symbol Name	Symbol Description
Process / Operation Symbols		
SAP Process	SAP Process	Shows a process or an action step that is automated.
Manual Process	Manual Process	Shows a process or an action step that is not automated.
SAP Subprocess	SAP Sub Process	Shows a process that is formally defined in another flow chart.
Branching and Control of Flow Symbols		
→	Flow Line (Arrow, Connector)	Shows the direction of process flows.
START/END	Terminator (Terminal Point, Oval)	Shows the start and stop points in a process.

Symbol	Symbol Name	Symbol Description
SAP Decision	SAP Decision	Indicates a decision process done in SAP. Typically, a Decision flowchart shape is used when there are 2 options available (Yes/No, Pass/Failed, etc.).
Manual Decision	Manual Decision	Indicates a manual decision process. Typically, Decision flowchart shape is used when there are 2 options available (Yes/No, Pass/Failed, etc.).
Connector	Connector	Shows continuation of a process flowchart into another page.
Input and Output Symbols		
Document	Document from SAP	Indicates a process step that produces a SAP document.
Document	Manual Document	Shows a process step where the operator/user needs to enter information manually into a system.

2.3 Process Sequence

2.3.1 Procure to Pay in General – System Flowchart

Procure To Pay in General

Requesting and Ordering	Advances and Payments	Receiving, Invoicing and Payments
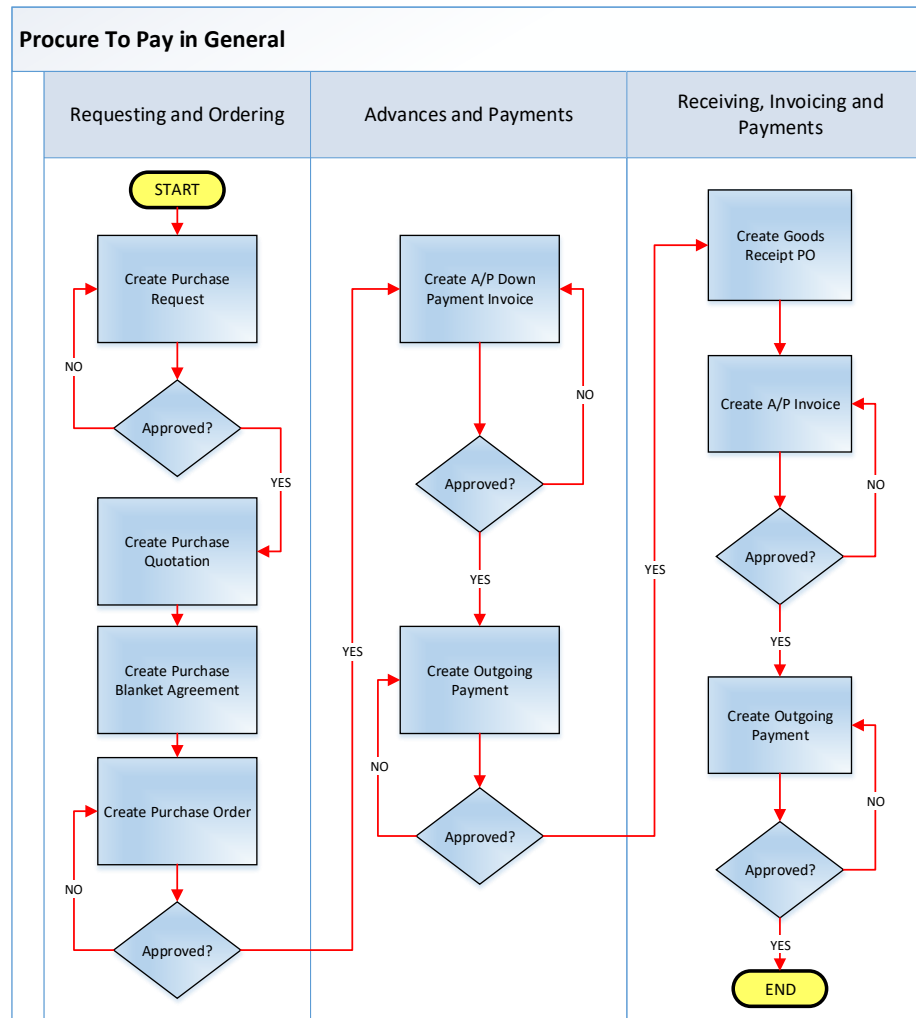
2.3.2 Purchase of Local Items or Services

This process is applicable to the following:

1. Purchase of Construction Materials
2. Purchase of Construction Supplies (Consumables)
3. Purchase of Equipment Rental and Other Operations-related Rental
4. Purchase of Office/Depot Supplies
5. Purchase of Clothing and Uniforms
6. Purchase of Project-related Admin Labor, Taxes, Permits and Licenses

2.3.2.1 Requesting Process

This sub-process is applicable but not limited to the following:

1. Purchase of Construction Materials
2. Purchase of Construction Supplies
3. Purchase of Equipment Rental
4. Purchase of Subcontracted Services

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
1	Create Purchase Request and define Purchase Transaction Type.	Storage In-charge/ Requester	SAP/ SAP – Project Accounting	Purchase Request - Draft	Budget / Schedule/ Material Requisition Form/Notice to Proceed	For system approval if condition will be met	-	-	Note: If Chargeable to Project, create Purchase Request based from Budget tab in the Project Accounting - Project Details Window Tag and review the appropriate Project in the Project Field in the Header.

								Skip step 2 and 3 if query approval will not be activated.

Purchase Transaction Types with their sub-categories (User-Defined Fields) are the following:

a. Purchase of Local Items and Services – General
    i. Construction Materials
    ii. Construction Supplies
    iii. Equipment Rental
    iv. Office/Depot Supplies
    v. Clothing and Uniform
    vi. Services
    vii. Permits and Licenses
b. Purchase of Imported Items
    i. Construction Materials
    ii. Construction Supplies
c. Purchase of Contracted Services
d. Purchase of Local Items and Services – Charged to Subcon
    i. Construction Materials
    ii. Construction Supplies
    iii. Equipment Rental
e. Purchase of Fixed Assets
f. Other Services – Commission
g. Other Services – Incentives
h. Other Services – Insurance/Bond/Claims
i. Other Services – Loans

A blocker (Transaction Notification) is created to require Purchase Transaction Type upon adding the document.

A blocker (Transaction Notification) is created to require Project Code, Dimensions and Budget No. for Project-related transaction upon adding the document.

A blocker (Transaction Notification) is created to prevent the responsible person in adding the document that does not require purchase request. This will be based on the list enumerated above for the applicability of this sub-process.

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
2	Review and approve the Purchase Request.	Manager / Managing Director	SAP	Approvals	Draft Purchase Request, Budget, Schedule	-	-	-	If document is approved, proceed to the next step. However, if document is rejected, update the document as necessary.
	Query approval will be activated for project-related requests if Quantity of the items requested exceeds the Budgeted Quantity with Level of Approvals as follow: 1st Level: Manager 2nd Level: Managing Director								
3	Add the approved Purchase Request.	Storage In-charge / Requester	SAP	Purchase Request	Purchase Request – Approved	-	-	-	-
	END								

2.3.2.2 Canvassing Process

This sub-process is applicable but not limited to the following:

1. Purchase of Construction Materials
2. Purchase of Construction Supplies
3. Purchase of Equipment Rental
4. Purchase of Office/Depot Supplies
5. Purchase of Clothing and Uniform
6. Purchase of Services in General
7. Purchase of Contracted Services
8. Purchase of Fixed Assets

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
Note: This process is applicable to purchase new items or if necessary. At least 3 suppliers are required for canvassing.									

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
1	Item Canvassing.	Canvasser	Manual	-	Approved /Added Purchase Request	-	-	-	-
2	Create Purchase Quotation for the selected supplier.	Purchaser	SAP	Purchase Quotation	Approved Purchase Request, Supplier Quotations	-	-	-	-
3	Generate Purchase Quotation Comparison Report	Purchaser	SAP	Purchase Quotation Comparison Report	Purchase Quotation from Various Suppliers	-	Purchase Quotation Comparison Report	-	-
				END					

2.3.2.3   Contract / Blanket Agreement Creation (If Applicable)

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
1	Create Purchase Blanket Agreement, if necessary, and attach the signed contract or other reference document.	Purchaser	SAP	Purchase Blanket Agreement	Supplier Contract, Blanket Agreement	-	-	-	-
				END					

2.3.2.4 Ordering Process

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
1.	Create Purchase Order copied from Purchase Request or Purchase Quotation	Purchaser	SAP	Purchase Order - Draft	Approved Purchase Request, Approved Purchase Quotation	For system approval	-	-	Tag the Purchase Blanket Agreement, if applicable. Tag the appropriate Project in the Project Field in the Header.
2.	Review and approve the Purchase Order.	Manager/ Managing Director	SAP	Approvals	Draft Purchase Order	-	-	-	-

- For Purchase Orders other than Commission, Incentives and Fixed Assets, the following level of approvals will apply:

  One (1) Level of Approval for 250,000 and below
    Approver: Manager
  Two (2) Levels of Approval for more than 250,000
    1st Level Approver: Manager
    2nd Level Approver: Managing Director
- Purchase Orders for Commission, Incentives and Fixed Assets
    Approver: Managing Director
- Another approval will be activated if Total Amount of the items/services Ordered exceeds the Budgeted Total Amount with Level of Approvals as follow:
    1st Level: Manager
    2nd Level: Managing Director

A blocker (Transaction Notification) is created to require Purchase Transaction Type upon adding the document.

A blocker (Transaction Notification) is created to require Project Code, Dimensions and Budget No. for Project-related transaction upon adding the document.

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
A blocker (Transaction Notification) is created to prevent the responsible person in adding the document with no based purchase request. This will be based on the list of transactions that requires Purchase Request. Refer to 2.3.2.1 Requesting Process. A blocker (Transaction Notification) is created to prevent the responsible person in adding the document with no based purchase quotation. This will be based on the list of transactions that requires Purchase Quotations. Refer to 2.3.2.2 Canvassing Process.									
3.	Add the approved Purchase Order.	Purchaser	SAP	Purchase Order	Approved Purchase Order	-	Purchase Order with Electronic signature (Crystal), GRPO Validation Form (Crystal)	-	-
An alert will be activated and received by Storage In-charge once Purchase Order is added.									
4.	Send copy to supplier thru fax/email and have it conformed.	Purchaser	Manual	Approved Purchase Order	-	-	Purchase Order with Electronic signature (Crystal)	-	-
5.	Once conformed, update the following User-defined Fields: 1. Conformed By 2. Date Conformed fields in the Purchase Order Attach the signed PO or text confirmation from supplier.	Purchaser	Manual	Purchase Order	Signed PO / Text Confirmation from Supplier	-	-	-	-

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
					END				

2.3.2.5 *Advances to Supplier, if applicable*

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
1	Create AP Down Payment Invoice copied from Purchase Order for the partial or full payment.	Accounts Payable In-Charge 1	SAP	Draft AP Down Payment Invoice	Approved & Conformed PO	For system approval	-	-	-
2	Review and approve AP Down Payment Invoice.	Accounts Payable In-charge 2	SAP	Approvals	Draft AP Down Payment Invoice	-	-	-	-
3	Add approved AP Down Payment Invoice.	Accounts Payable In-Charge 1	SAP	AP Down Payment Invoice	Approved AP Down Payment Invoice	-	-	Dr. Advances to Suppliers Dr. Input Tax Cr. Accounts Payable	-
	Note: Proceed to 2.3.2.8 Payment Process.								
					END				

2.3.2.6   Receiving Process, if applicable

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
1.	Check quality and quantity upon receipt of items.	Checker	Manual	-	Supplier Delivery Receipt, GRPO Validation Form (Crystal)	-	Quantity Supplied and Signed GRPO Validation Form	-	As a company policy upon checking, items will not be received for those that differs from the Approved Purchase Order. Excess and Damaged items will also not be received.
2.	Once confirmed, create Goods Receipt PO.	Storage In-Charge	SAP	Goods Receipt PO	Supplier Delivery Receipt, GRPO Validation Form (Crystal)	-	Receiving Report (Crystal)	**If inventoriable Items** Dr. Inventories Cr. Inventory Clearing **If non-inventoriable Items** No Entry	Required Field: Vendor Reference No. (blocker) Required Field: Vehicle's Plate No. (blocker) Driver's Name: (blocker)
3.	Manually sign the Receiving Report and provide copy to the Accounting	Storage In-Charge / Checker	Manual	-	Goods Receipt PO	-	Signed Receiving Report	-	-

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
					END				

2.3.2.7 Invoicing Process

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
1.	Create A/P Invoice. Note: Paid Down Payments, if any, will automatically be applied.	Accounts Payable In-Charge 1	SAP	Draft A/P Invoice	Approved Purchase Order, Supplier DR, Supplier Invoice, Statement of Account	For system approval		-	Base GRPO is required for Itemized Purchases except for Item type Services
2.	Review and approve A/P Invoice.	Accounts Payable In-Charge 2	SAP	Approvals	Draft A/P Invoice	-	-	-	-
3.	Add the approved A/P Invoice.	Accounts Payable In-Charge 1	SAP	A/P Invoice	Approved A/P Invoice	-	-	**If inventoriable** Dr. Inventory Clearing Dr. Input Tax Cr. Accounts Payable Cr. Expanded Withholding Tax Cr. Advances to Supplier, if any **If non inventoriable**	

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
								Dr. Construction In Progress/Expense Account Dr. Input Tax Cr. Accounts Payable Cr. Expanded Withholding Tax Cr. Advances to Supplier, if any	

Proceed to 2.3.2.8 Payment Process for payment of balance, if any.

A blocker (Transaction Notification) is created to require Purchase Transaction Type upon adding the document.

A blocker (Transaction Notification) is created to require Project Code, Dimensions and Budget No. for Project-related transaction upon adding the document.

A blocker (Transaction Notification) is created to make sure that Purchase Transaction Type, Project Code and Budget Number is the same as the base document, to avoid data inconsistency.

END

2.3.2.8   Payment Process

This process is applicable to the following:

1.   Payment of AP Down Payment Invoice
2.   Payment of A/P Invoice

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
1.	Create Outgoing Payments.	Accounts Payable In-Charge 1	SAP	Draft Outgoing Payment	AP Down Payment Invoice / A/P Invoice	For system approval	-	-	Notes: If postdated checks, posting date must be the same with check date and due date. If multiple postdated checks will be issued, create one (1) outgoing payment for each check.
2.	Review and approve outgoing payment.	Accounts Payable In-Charge 2/ Managing Director	SAP	Approvals	Draft Outgoing Payment	-	-	-	-
Levels of Approval for Outgoing Payments are as follow: 1ST Level: Accounts Payable In-Charge 2 2ND Level: Managing Director									

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
3.	Reject the Draft Outgoing Payment for the Accounts Payable In-Charge to update Check No. field.	Managing Director	SAP	Approvals	Draft Outgoing Payment	-	-	-	This is applicable only for Check Payment Means
4.	Update Check No. Field of the rejected Outgoing Payment	Accounts Payable In-Charge 1	SAP	Draft-Rejected Outgoing Payment	Rejected Outgoing Payment	For System Approval	-	-	This is applicable only for Check Payment Means
5.	Review and approve outgoing payment with supplied Check No.	Accounts Payable In-Charge 2/ Managing Director	SAP	Approvals	Draft Outgoing Payment	-	-	-	This is applicable only for Check Payment Means
6.	Add the approved Outgoing Payment.	Accounts Payable In-Charge 1	SAP	Outgoing Payment	Outgoing Payment – Approved	-	Payment Voucher (Crystal)	**If Cash** Dr. Accounts Payable Cr. Cash on Hand **If Check / Bank Transfer** Dr. Accounts Payable Cr. Cash in Bank	-
7.	Check printing if payment means is Check.	Accounts Payable In-Charge 1	SAP	Checks for Payment	Approved Outgoing Payment	-	Check (Shooting) Check Status Report (Crystal Report)	-	This is applicable only for Check Payment Means
8.	Sign Checks.	Managing Director	Manual	-	Check	-	-	-	This is applicable only for Check Payment Means

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
9.	Release Checks and Open Outgoing Payments to update the following: - Check Status, - Check Released To - Check Release Date.	Accounts Payable In-Charge 1	SAP	Outgoing Payments	Payment Voucher, Vendor's OR/CR	-	-	-	This is applicable only for Check Payment Means
				END					

2.3.2.9 Process Flow

Purchase of Local Items and Services – Requesting Process
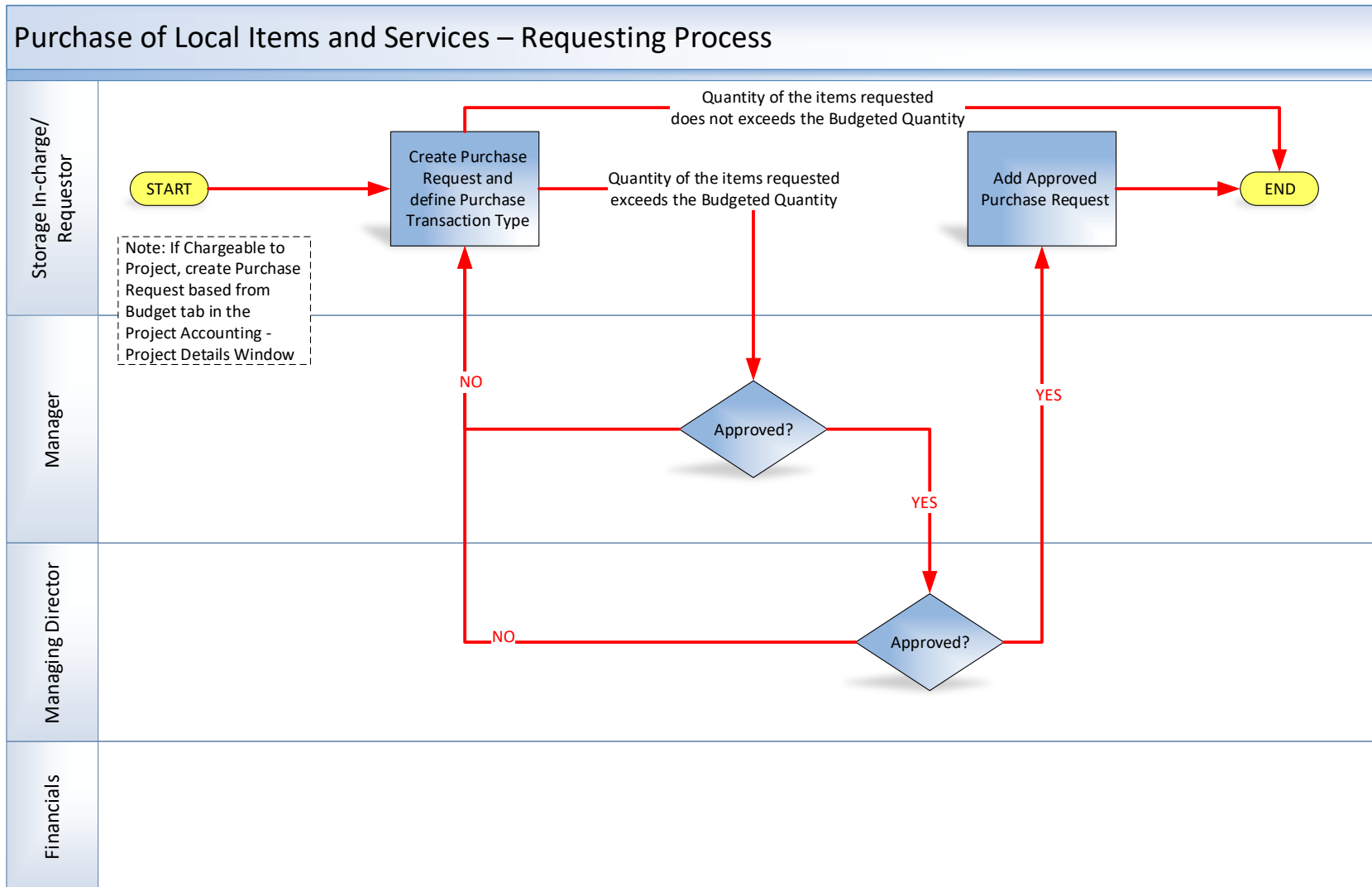
Purchase of Local Items or Services – Canvassing
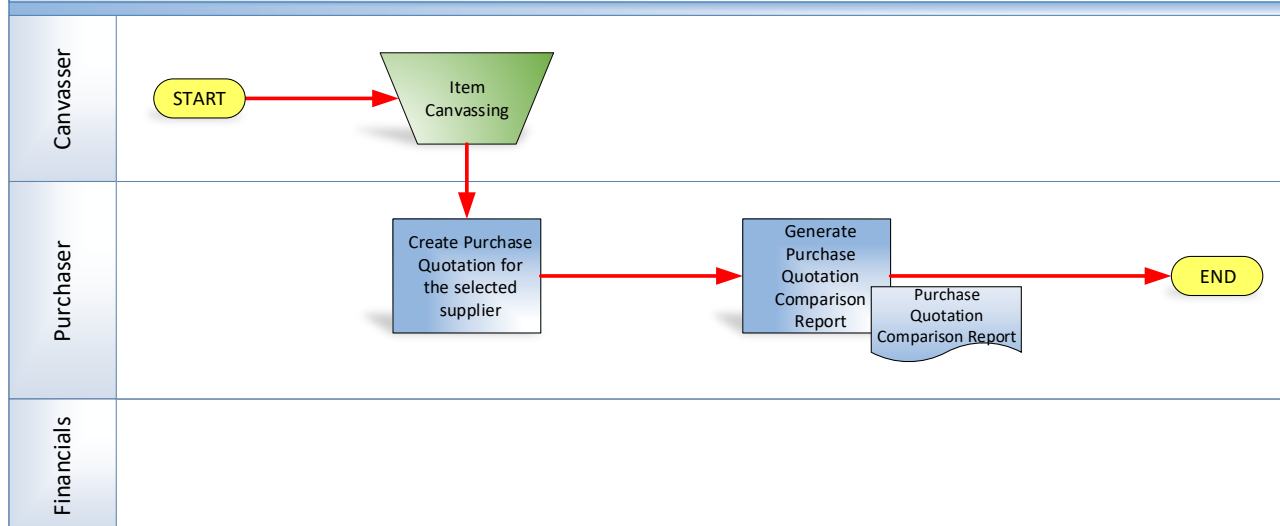
Purchase of Local Items or Services – Contract/Blanket Agreement Creation

Purchase of Local Items or Services – Ordering Process

Purchase of Local Items or Services – Advances

Accounts Payable In-charge 1

START → Create AP Down Payment Invoice copied from Purchase Order for the partial or full payment. → (Approved?) → Add Approved AP Down Payment Invoice → Proceed to Payment process → END

Accounts Payable In-charge 2

Approved? — NO / YES

Financials

Journal Entry

AP Down Payment Invoice:
Dr. Advances to Suppliers
Dr. Input Tax
Cr. Accounts Payable

Purchase of Local Items or Services – Receiving

Checker

START

Check quality and quantity upon receipt of items

Quantity supplied and signed GRPO Validation form

Sign the Receiving Report and provide copy to Accounting

END

Signed Receiving Report

Storage In-charge

Create Good Receipt PO

Receiving Report

Financials

Journal Entry

If Inventoriable Items:
Dr. Inventories
Cr. Inventory Clearing

If Non-Inventoriable Items:

No Entry

Purchase of Local Items or Services – Invoicing

Accounts Payable In-charge 1

START → Create AP Invoice - Draft → Add Approved AP Invoice → Proceed to Payment process → END

Accounts Payable In-charge 2

Approved?
NO
YES

Financials

Journal Entry

If Inventoriable:
Dr. Inventory Clearing
Dr. Input Tax
Cr. Accounts Payable
Cr. Expanded Withholding Tax
Cr. Advances to Supplier, if any

If Non-Inventoriable:
Dr. Construction In Progress/
Expense Account
Dr. Input Tax
Cr. Accounts Payable
Cr. Expanded Withholding Tax
Cr. Advances to Supplier, if any

Purchase of Local Items or Services – Payment Process

Accounts Payable In-charge 1	START → Create Outgoing Payments -Draft → Update Outgoing Payment. Define check number field of Outgoing Payment → Add Approved Outgoing Payment → Payment voucher → Check Printing → Check → Check Printing Status report → Release Checks → Update information in Outgoing Payment → END
Accounts Payable In-charge 2	Approved? (NO) ... Approved?
Managing Director	Reject Draft Outgoing Payment ... Approved? ... Sign Checks
Financials	Journal Entry

If Cash:
Dr. Accounts Payable
Cr. Cash on Hand

If Check/Bank Transfer:
Dr. Accounts Payable
Cr. Cash in Bank

2.3.3 Correcting Documents

2.3.3.1 Goods Return

2.3.3.1.1 Goods Return with Open Based Goods Receipt PO

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
1.	Send picture of the damaged Item to Purchaser for Vendor negotiation.	Storage In-Charge	Manual			Manual approval (Vendor)			
2.	Create Goods Return copied from Goods Receipt PO and specify reason for return.	Storage In-Charge	SAP	Goods Return	Approved Return from Supplier	-	Goods Return Form (Crystal)	Dr. Inventory Clearing Cr. Inventory	-
3.	Release damaged items in the Warehouse	Checker	Manual		Goods Return Form (Crystal)				As a Company Policy, no damaged items will be released from the warehouse if not supported with Goods Return Form.
A blocker (Transaction Notification) is created to require Reason for Return upon adding the documents.									
Proceed to 2.3.2.7 Invoicing Process.									
END									

2.3.3.1.2 Stand-Alone Goods Return
This process applies to the following:
1. If Goods Receipt PO is unidentifiable
2. If A/P Invoice is unidentifiable
3. If A/P Invoice is already paid

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
1.	Send picture of the damaged Item to Purchaser for Vendor negotiation.	Storage In-Charge	Manual			Manual approval (Vendor)			
2.	Create Stand-Alone Goods Return and specify reason of return.	Storage In-Charge	SAP	Goods Return	Approved Return from Supplier	-	Goods Return Form (Crystal)	Dr. Inventory Clearing Cr. Inventory (At Item Cost)	-
3.	Release damaged items in the Warehouse	Checker	Manual		Goods Return Form (Crystal)				As a Company Policy, no damaged items will be released from the warehouse if not supported with Goods Return Form.
4.	Create A/P Credit Memo copied from Goods Return	Accounts Payable In-Charge 1	SAP	A/P Credit Memo				Dr. Accounts Payable Cr. Inventory Clearing Cr. Inventory (If Item Cost is less than Unit Price of the Item returned)	
A blocker (Transaction Notification) is created to require Reason for Return upon adding the documents.									
Note: Proceed to 2.3.2.8 Payment Process.									
END									

2.3.3.2 Credit Memo

This process is applicable but not limited to the following:
1. Purchase Price adjustments
2. Unrecognized Purchase Discounts

#### 2.3.3.2.1 Credit Memo with open and identifiable based A/P Invoice

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
1.	Create A/P Credit Memo copied from A/P Invoice	Accounts Payable In-Charge 1	SAP	A/P Credit Memo				**Price Increase:** Dr. Inventory Dr. Input VAT Cr. Accounts Payable **Price Decrease and Discounts:** Dr. Accounts Payable Cr. Input VAT Cr. Inventory	Make sure to activate Without Quantity Posting in the rows so that inventory quantity in the warehouse will not be affected.
Note: Proceed to 2.3.2.8 Payment Process.									
END									

2.3.3.2.2 Stand-Alone Credit Memo for closed and unidentifiable based A/P Invoice

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
1.	Create Stand-Alone A/P Credit Memo	Accounts Payable In-Charge 1	SAP	A/P Credit Memo				**Price Increase:** Dr. Inventory Dr. Input VAT Cr. Accounts Payable **Price Decrease and Discounts:** Dr. Accounts Payable Cr. Input VAT Cr. Inventory	Make sure to activate Without Quantity Posting in the rows so that inventory quantity in the warehouse will not be affected.
Note: Proceed to 2.3.2.8 Payment Process.									
END									

2.3.3.3 Application of Stand-Alone Credit Memo

2.3.3.3.1 Refund from Vendor

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
1.	If with refund, create Incoming Payment – Vendor Type	Accounts Receivable In-Charge	SAP	Incoming Payment	A/P Credit Memo	-	-	**If Cash / Bank Transfer** Dr. Cash on Hand / Cash in Bank Cr. Payable **If Check,** Dr. Checks Clearing Cr. Payable	Select the row relating to the Credit Memo added. Adding the Incoming Payment closes the status of A/P Credit Memo.
2.	Create Deposit for Cash and Check Collections.	Accounting Manager	SAP	Deposit	Deposit Slip, Transmittal Form			Dr. Cash in Bank Cr. Cash on Hand / Checks Clearing	-
END									

2.3.3.3.2 Offset of AP Credit Memo to Open AP Invoice

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
1.	Create Outgoing Payment and apply the A/P Credit Memo to the Open Invoice	Accounts Payable In-Charge 1	SAP	Outgoing Payments	A/P Invoice and A/P Credit Memo	-	Payment Voucher	-	Select the row relating to the Credit Memo added with the other open invoices.

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
2.	Review and approve outgoing payment.	Accounts Payable In-Charge 2/ Managing Director	SAP	Approvals	Draft Outgoing Payment	-	-	-	-

Levels of Approval for Outgoing Payments are as follow:
    1ST Level: Accounts Payable In-Charge 2
    2ND Level : Managing Director									

3.	Reject the Draft Outgoing Payment for the Accounts Payable In-Charge to update Check No. field.	Managing Director	SAP	Approvals	Draft Outgoing Payment	-	-	-	This is applicable only for Check Payment Means
4.	Update Check No. Field of the rejected Outgoing Payment	Accounts Payable In-Charge 1	SAP	Draft-Rejected Outgoing Payment	Rejected Outgoing Payment	For System Approval	-	-	This is applicable only for Check Payment Means
5.	Review and approve outgoing payment with supplied Check No.	Accounts Payable In-Charge 2/ Managing Director	SAP	Approvals	Draft Outgoing Payment	-	-	-	This is applicable only for Check Payment Means
6.	Add the approved Outgoing Payment.	Accounts Payable In-Charge 1	SAP	Outgoing Payment	Outgoing Payment – Approved	-	Payment Voucher (Crystal)	**If Cash** Dr. Accounts Payable Cr. Cash on Hand **If Check / Bank Transfer**	-

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
								Dr. Accounts Payable Cr. Cash in Bank	
7.	Check printing if payment means is Check.	Accounts Payable In-Charge 1	SAP	Checks for Payment	Approved Outgoing Payment	-	Check (Shooting) Check Printing Status Report (Crystal)	-	This is applicable only for Check Payment Means
8.	Sign Checks.	Managing Director	Manual	-	Check	-	-	-	This is applicable only for Check Payment Means
9.	Release Checks and Open Outgoing Payments to update the following: - Check Status, - Check Released To - Check Release Date.	Accounts Payable In-Charge 1	SAP	Outgoing Payments	Payment Voucher	-	-	-	This is applicable only for Check Payment Means
				END					

2.3.3.4 No Further Deliveries expected from the Supplier

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
1.	Manually close PO upon confirmation that no further deliveries is expected.	Purchaser	SAP	-	Purchase Order	-	-	-	-
				END					

2.3.3.5 Process Flow

Correcting Documents

Goods Return-Stand-Alone Goods Return

Storage In-charge

START → Send picture of the damaged Item to Purchaser → Create Stand-Alone Goods Return

Goods Return Form

Checker

Release damaged items in the warehouse

Accounts Payable In-charge 1

Create AP Credit Memo copied from Goods Return → Proceed to Payment process → END

Financials

Journal Entry

Stand-Alone Goods Return:
Dr. Inventory Clearing
Cr. Inventory (At Item Cost)

AP Credit Memo:
Dr. Accounts Payable
Cr. Inventory Clearing
Cr. Inventory (If Item Cost is less than Unit Price of the Item returned)

Correcting Documents

Credit Memo-Credit Memo with open and identifiable based AP Invoice

Accounts Payable In-charge 1

START → Create A/P Credit Memo copied from A/P Invoice → Proceed to Payment process → END

Activate Without Quantity Posting in the rows so that inventory quantity is not affected.

Financials

Journal Entry

Price Increase:
Dr. Inventory
Dr. Input VAT
Cr. Accounts Payable

Price Decrease and Discounts:
Dr. Accounts Payable
Cr. Input VAT
Cr. Inventory
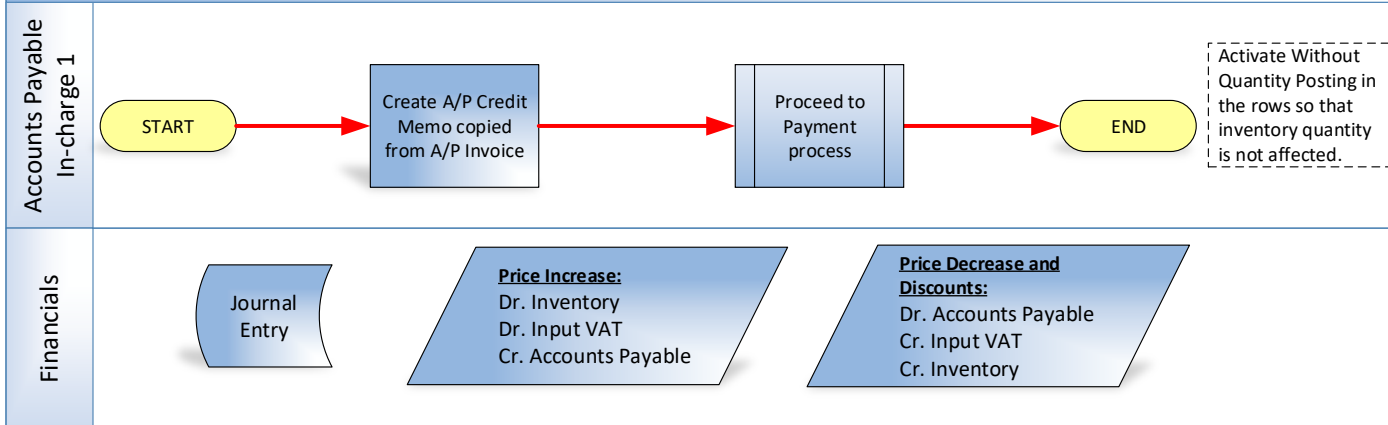
Correcting Documents

Credit Memo-Stand-Alone Credit Memo for closed and unidentifiable based AP Invoice

Accounts Payable In-charge 1

START → Create Stand-Alone A/P Credit Memo → Proceed to Payment process → END

Activate Without Quantity Posting in the rows so that inventory quantity is not affected.

Financials

Journal Entry

Price Increase:
Dr. Inventory
Dr. Input VAT
Cr. Accounts Payable

Price Decrease and Discounts:
Dr. Accounts Payable
Cr. Input VAT
Cr. Inventory

Correcting Documents

Application of Stand-Alone Credit Memo-Refund from Vendor

Accounts Receivable In-charge

START → Create Incoming Payment – Vendor Type → Proceed to Collection Reporting Process

Select the row relating to the Credit Memo added.

Accounting Manager

Create Deposit for Cash and Check collections → END

Financials

Journal Entry

Incoming Payment
If Cash / Bank Transfer
Dr. Cash on Hand / Cash in Bank
Cr. Payable
If Check,
Dr. Checks Clearing
Cr. Payable

Deposit
Dr. Cash in Bank
Cr. Cash on Hand / Checks Clearing

Correcting Documents

Application of Stand-Alone Credit Memo-Offset of AP Credit Memo to Open A/P Invoice

Accounts Payable In-charge 1

START → Create Outgoing Payments -Draft → Update Outgoing Payment. Define check number field of Outgoing Payment → Add Approved Outgoing Payment

Payment voucher

Check Printing → Check → Check Printing Status report

Release Checks → Release check and Update information in Outgoing Payment → END

Accounts Payable In-charge 2

Select the row relating to the Credit Memo added with the other open invoices.

NO

Approved?

Approved?

Managing Director

YES

Reject the Draft Outgoing Payment

NO

YES

NO

Approved?

Sign Checks

YES

Financials

Journal Entry

If Cash:
Dr. Accounts Payable
Cr. Cash on Hand

If Check/Bank Transfer:
Dr. Accounts Payable
Cr. Cash in Bank

Correcting Documents

No further deliveries

Purchaser

START → Manually close PO upon confirmation that no further deliveries is expected → END

Financials

2.3.4 Purchase of Subcontracted Services

2.3.4.1 Purchase of Subcontracted Services Related to the Company's Project

This process is applicable to the following:

- Subcontractor - Labor
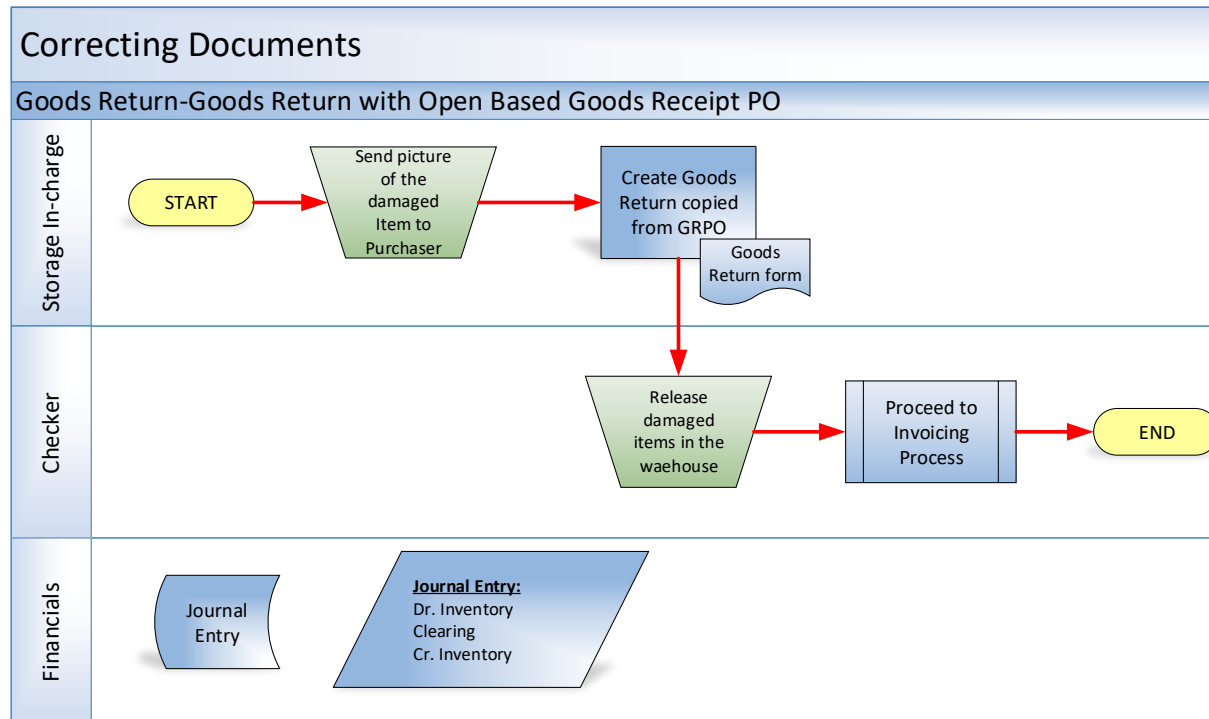- Subcontractor - Labor and Materials
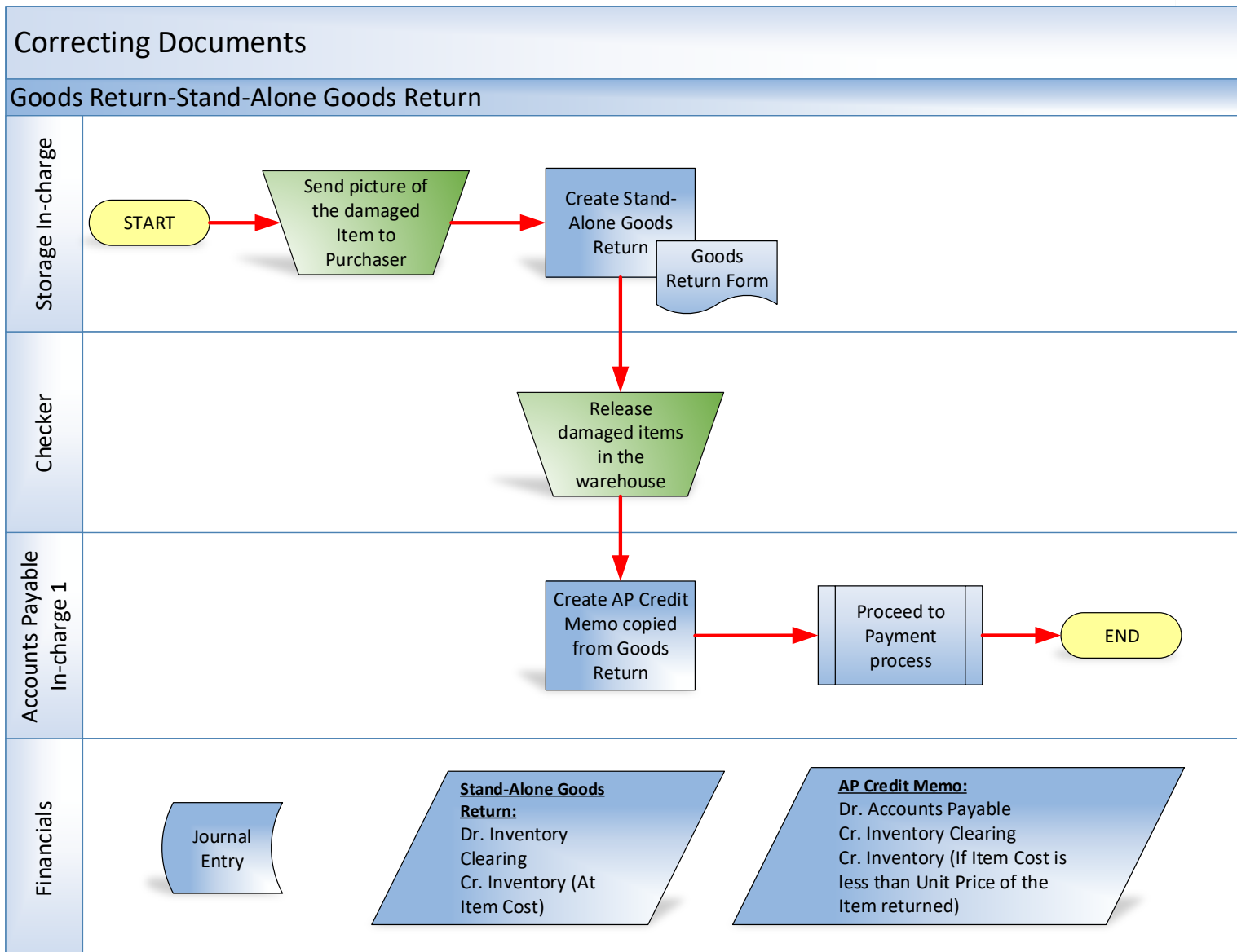
2.3.4.1.1 Requesting Process

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
1.	Identify the services to be contracted/ subcontracted.	Site Engineer/ Manager	Manual	-	Budget		-	-	-
2.	Create Purchase Request copied from Project Details - Budget and define Purchase Transaction Type.	Site Engineer/ Manager	SAP – Project Accounting Add On	Purchase Request - Draft	Budget – Subcon / Schedule	For System Approval	-	-	Define Transaction Type as Purchase of Contracted Services
3.	Review and approve the Purchase Request.	Manager / Managing Director	SAP	Approvals	Draft Purchase Request, Budget, Schedule	-	-	-	If document is approved, proceed to the next step. However, if document is rejected, update the document as necessary.

- For requests of subcontracted services, following level of approvals will apply:
   - One (1) Level of Approval for 250,000 and below
      - Approver: Manager
   - Two (2) Levels of Approval for more than 250,000
      - 1st Level Approver: Manager
      - 2nd Level Approver: Managing Director

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
•	If the Manager creates the Purchase Request, direct approval by Managing Director.								
4.	Add the approved Purchase Request.	Site Engineer/ Manager	SAP	Purchase Request	Purchase Request – Approved	-	-	-	-
A blocker (Transaction Notification) is created to require Purchase Transaction Type upon adding the document. A blocker (Transaction Notification) is created to require Project Code, Dimensions and Budget No. for Project-related transaction upon adding the document.									
END									

2.3.4.1.2 Review Pool of Accredited Contractors/ Subcontractors

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
1.	Send Invitation to Bid to at least three (3) bidders.	Site Engineer/ Manager	Manual	-	Purchase Request	-	-	-	-
2.	Create Purchase Quotation copied from Purchase Request and Print Quotation Sheet for each Bidder	Purchaser	SAP	Purchase Quotation	Quotation from Supplier/ Copy from PR	-	-	-	-
3.	Generate Purchase Quotation Comparison Report and export to PDF file and sent to Manager for selection.	Purchaser	SAP	Purchase Quotation Comparison Report	Sales Quotation	-	-	Purchase Quotation Comparison Report (PDF	

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
4.	Review Purchase Quotation Report with Managing Director as needed and select the winning Bid.	Manager	Manual	-	Purchase Quotation Comparison Report (PDF)	-	-	-	
5.	Informs the Purchaser for the winning Bid	Manager	Manual		Purchase Quotation Comparison Report (PDF)	-	-	-	

In case of Negotiation with the winning Bidder, any changes in the total Bid Price shall be updated in the particular Purchase Quotation Entry and regenerate PQCR.

END

2.3.4.1.3 Contract / Blanket Agreement Creation, if applicable

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
1.	Create Purchase Blanket agreement based on the Contract	Purchaser	SAP	Purchase Blanket Agreement	Contract	-	-	-	-

END

2.3.4.1.4 Ordering Process

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
1.	Generate Purchase Order from Purchase Quotation Comparison Report based on the Approved or forwarded Purchase Quotation No.	Purchaser	SAP	Purchase Order - Draft	Approved Purchase Request, Manually Approved Purchase Quotation based on the Comparison Report	For system approval	-	-	-
2.	Review and approve the Purchase Order.	Manager/Managing Director	SAP	Approvals	Draft Purchase Order	-	-	-	-

- For purchase orders, following level of approvals will apply:
    - One (1) Level of Approval for 250,000 and below
        - Approver: Manager
    - Two (2) Levels of Approval for more than 250,000
        - 1st Level Approver: Manager
        - 2nd Level Approver: Managing Director

- Another approval will be activated if Total Amount of the items/services Ordered exceeds the Budgeted Total Amount with Level of Approvals as follow:
    - 1st Level: Manager
    - 2nd Level: Managing Director

A blocker (Transaction Notification) is created to require Purchase Transaction Type upon adding the document.

A blocker (Transaction Notification) is created to require Project Code, Dimensions and Budget No. for Project-related transaction upon adding the document.

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
A blocker (Transaction Notification) is created to make sure that Purchase Transaction Type, Project Code and Budget Number is the same as the base document, to avoid data inconsistency.									
3.	Add the approved Purchase Order.	Purchaser	SAP	Purchase Order	Approved Purchase Order	-	Purchase Order	-	-
END									

2.3.4.1.5 Notice of Award and Notice to Proceed

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
1	Provide the Notice of Award to the selected bidder.	Purchaser	Manual	-	Purchase Order	-	Notice of Award (Crystal) Contract Layout (Crystal)	-	-
2	Procure the materials that may be needed to proceed with the performance of the Contracted/ Sub-Contracted service.	Purchaser	Manual	-	Approved Material Requisition Slip, Purchase Order	-	-	-	Refer to Purchase of Local Items or Services process.
3	Provide the Notice to Proceed to the selected Contractor/ Subcontractor.	Purchaser	Manual	-	Purchase Order	-	Notice to Proceed (Crystal)	-	-

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks

Criteria for release of Notice to Proceed:
1. When the quotations are met as to lowest bid and earliest time for completion, quality meaning no back jobs.
2. When materials needed for the subcon are delivered and/or approved for usage.

END

2.3.4.1.6 Mobilization/Advance Payment Process

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
1.	Create AP Down Payment Invoice for the partial payment copied from Purchase Order	Accounts Payable In-Charge 1	SAP	Draft AP Down Payment Invoice	Approved Purchase Order	For System Approval	-	-	-
2.	Review and approved AP Down Payment Invoice.	Accounts Payable In-Charge 2	SAP	Approvals	Draft AP Down Payment Invoice	-	-	-	-
3.	Add the AP Down Payment Invoice.	Accounts Payable In-Charge 1	SAP	AP Down Payment Invoice	Approved AP Down Payment Invoice	-	-	Dr. Advances to Suppliers Cr. Accounts Payable	-

Note: Proceed to payment process.

END

2.3.4.1.7 Sub-Contractor's Progress Billings and Recoupment Process

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
1.	Receipt of Statement of Work from the Subcontractor	Site Engineer	Manual	-	-	-	-	-	-
2.	Validate and approve the Statement of Work and Progress Billing from the Contractor/ Subcontractor	Site Engineer/ Manager	Manual	-	Statement of Work and Progress Billing		Validated Statement of Work and Progress with Running Percentage of Completion, Billing, Punch List (Manual)		
3.	Create A/P Invoice.	Accounts Payable In-Charge 1	SAP	Draft A/P Invoice	Approved Purchase Order, Validated Statement of Work and Progress Billing, Punch List	For system approval	-	-	Required Field: Running Percentage of Completion Apply recoupment from the Mobilization or Initial Advance Payment. Input the amount to be applied or

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
									recouped in the Total Down Payment field in the document footer. Update Quantity Column based on the Percentage of Completion.
4.	Review and approved A/P Invoice.	Accounts Payable In-Charge 2	SAP	Approvals	Draft A/P Invoice	-	-	-	-
5.	Add the approved A/P Invoice.	Accounts Payable In-Charge 1	SAP	A/P Invoice	A/P Invoice - Approved	-	Progress Billing Report (Crystal)	Dr. Construction in Progress Dr. Input Tax Cr. Accounts Payable Cr. Advances to Suppliers Cr. Expanded Withholding Tax	Progress Billing Report will be based on paid A/P Invoices.

A blocker (Transaction Notification) is created to require Purchase Transaction Type upon adding the document.

A blocker (Transaction Notification) is created to require Project Code, Dimensions and Budget No. for Project-related transaction upon adding the document.

A blocker (Transaction Notification) is created to make sure that Purchase Transaction Type, Project Code and Budget Number is the same as the base document, to avoid date inconsistency.

A blocker (Transaction Notification) is created to prevent overbilling based on the define Running Percentage of Completion.

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks

Note: Proceed to payment process for payment of balance if retention is not applicable.

END

2.3.4.1.8 Retention Payable Recognition

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
1.	Generate retention for the billing or after adding A/P Invoice.	Accounts Payable In-Charge 1	SAP – Project Accounting Add On	A/P Retention	Approved A/P Invoice	-	-	Dr. Accounts Payable Cr. Retention Payable	Retention should be made every billing. Retention will be released after the contractor defects from liability.

Note: Proceed to payment process.

END

2.3.4.1.9 Payment Process

This process is applicable to the following:

1. Payment of Mobilization/Advance Payment
2. Payment of Progress Billing
3. Release of Retention
4. Application of Subcon Charges

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
1.	Create Outgoing Payments.	Accounts Payable In-Charge 1	SAP	Draft Outgoing Payment	AP Down Payment Invoice / A/P Invoice	For system approval	-	-	Notes: If postdated checks, posting date must be the same with check date and due date. If multiple postdated checks will be issued, create one (1) outgoing payment for each check.
2.	Review and approve outgoing payment.	Accounts Payable In-Charge 2/ Managing Director	SAP	Approvals	Draft Outgoing Payment	-	-	-	-
Levels of Approval for Outgoing Payments are as follow: 1ST Level: Accounts Payable In-Charge 2 2ND Level: Managing Director									

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
3.	Reject the Draft Outgoing Payment for the Accounts Payable In-Charge to update Check No. field.	Managing Director	SAP	Approvals	Draft Outgoing Payment	-	-	-	This is applicable only for Check Payment Means
4.	Update Check No. Field of the rejected Outgoing Payment	Accounts Payable In-Charge 1	SAP	Draft-Rejected Outgoing Payment	Rejected Outgoing Payment	For System Approval	-	-	This is applicable only for Check Payment Means
5.	Review and approve outgoing payment with supplied Check No.	Accounts Payable In-Charge 2/ Managing Director	SAP	Approvals	Draft Outgoing Payment	-	-	-	This is applicable only for Check Payment Means
6.	Add the approved Outgoing Payment.	Accounts Payable In-Charge 1	SAP	Outgoing Payment	Outgoing Payment – Approved	-	Payment Voucher (Crystal)	**If Cash** Dr. Accounts Payable Cr. Cash on Hand **If Check / Bank Transfer** Dr. Accounts Payable Cr. Cash in Bank	-
7.	Check printing if payment means is Check.	Accounts Payable In-Charge 1	SAP	Checks for Payment	Approved Outgoing Payment	-	Check (Shooting) Check Printing Status	-	This is applicable only for Check Payment Means

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
							Report (crystal)		
8.	Sign Checks.	Managing Director	Manual	-	Check	-	-	-	This is applicable only for Check Payment Means
9.	Release Checks and Open Outgoing Payments to update the following: • Check Status, • Check Released To • Check Release Date.	Accounts Payable In-Charge 1	SAP	Outgoing Payments	Payment Voucher, Supplier's OR/CR	-	-	-	This is applicable only for Check Payment Means
	END								

2.3.4.2   Variations

2.3.4.2.1   Contract Price is Increased or Decreased

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
1.	Manually close original Purchase Order	Manager	SAP	Purchase Order	Updated Contract, Change Agreement	-	-	-	-

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
2.	Create Budget Revised for the remaining contracted services with original budgeted price to deduct this budget to the total budget.	Manager	SAP – Project Accounting Add On	Budget Revised	Updated Contract, Change Agreement	-	-	-	Refer to 2.3.2.6 Variations Process in the Construction Blueprint

Input in the Remarks the Original Purchase Order for reference. |
3.	Create new budget for the remaining Contracted Services using the new Price.	Manager	SAP – Project Accounting Add On	Budget	Budget Revised	For System Approval	-	-	Refer to 2.3.2.1.2 Variations Process in the Construction Blueprint.
4.	Create Purchase Request copied from Project Details – Budget Tab.	Site Engineer/ Manager	SAP – Project Accounting Add On	Purchase Request	Budget	-	-	-	-
Proceed to Purchase of Subcontracted Services Process. Upon adding of Purchase Order, tag the closed Purchase Order in the Referenced Document Field – Accounting Tab.									
END									

2.3.4.2.2 Unfinished Contract

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
1.	Manually close the original Purchase Order after the final or latest billing.	Manager	SAP	-	Defaulted Contract	-	-	-	-
END									

2.3.4.3 Purchase of Items/Services Chargeable to Subcontractor

This process is applicable to the following:

1. Purchase of PPE's and other construction materials chargeable to subcontractor
2. Purchase of consumable supplies and other construction supplies chargeable to subcontractor
3. Rental of Power Tools, Equipment, Area chargeable to subcontractor

2.3.4.3.1 Requesting, Ordering, Invoicing and Payment Process

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
1.	File and sign Material Requisition Slip	Subcontractor	Manual	-	-	For Manual Approval by Site Engineer/Manager	-	-	-
2.	If there are stocks available in the warehouse, create Stand-Alone Goods Issue	Storage In-charge	SAP	Goods Issue	Approved Materials Requisition Slip			Dr. Subcon Charges Cr. Inventories	Define Issuance Type as Issuance chargeable to Subcon.

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
									Define Subcon/BP Code.
A blocker (Transaction Notification) is created to require Subcon/BP Code for this type of Issuance. An alert will be activated and received by the following upon adding this document for this type of Issuance as the basis for charges recognition per Subcontractor: 1. Accounting Manager 2. Accounts Payable In-Charge 1 3. Accounts Payable In-Charge 2 4. Manager								
3.	If there are no stock on hand, create stand-alone Purchase Request and proceed to standard Purchasing Process	Storage In-charge	SAP	Purchase Request	Material Requisition Slip	-	-	-	-
**Proceed to Purchase of Local Items/Services – Order and Receiving Process (for Inventoriable only).**								
4.	Create A/P Invoice upon receiving of Vendor's Invoice. Note: Paid Down Payments, if any, will automatically be applied.	Accounts Payable In-Charge 1	SAP	Draft A/P Invoice	Approved Purchase Order, Supplier DR, Supplier Invoice	For system approval	-	-	Base GRPO is required for Itemized Purchases except for Item type Services.
5.	Review and approve A/P Invoice.	Accounts Payable In-Charge 2	SAP	Approvals	Draft A/P Invoice	-	-	-	-

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
6.	Add the approved A/P Invoice.	Accounts Payable In-Charge 1	SAP	A/P Invoice	Approved A/P Invoice	-	-	**If inventoriable** Dr. Inventory Clearing Dr. Input Tax Cr. Accounts Payable Cr. Expanded Withholding Tax Cr. Advances to Supplier, if any **If non inventoriable and Service Type** Dr. Subcon Charges Dr. Input Tax Cr. Accounts Payable Cr. Expanded Withholding Tax Cr. Advances to Supplier, if any	
Proceed to Purchase of Local Items and Services - Payment Process									

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
A blocker (Transaction Notification) is created to require updating of G/L Account to Subcon Charges Account for this type of transaction upon adding of AP Invoice – Service Type and Non-inventoriable Items. An alert will be activated and received by the following upon adding this document for this type of purchasing as the basis for charges recognition per Subcontractor: 1. Accounting Manager 2. Accounts Payable In-Charge 1 3. Accounts Payable In-Charge 2 4. Manager								
Proceed to Materials Issuance Process for Inventoriable Items.								
Proceed to Recognition of Subcon Charges to specific Subcontractor Process.								
END								

2.3.4.3.2 Recognition of Subcon Charges to specific Subcontractor

This process if applicable after the following scenarios took place:
1. Purchase of Non-inventoriable items and Services Chargeable to Subcon
2. Issuance of Construction Materials Chargeable to Subcon.

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
1.	Create Journal Entry to recognize Subcon Charges to the specific Subcontractor	Accounts Payable In-Charge 1/ Accounting Manager	SAP	Journal Entry	A/P Invoice, Summary of Subcon Charges	-	-	Dr. BP - Accounts Payable Cr. Subcon Charges	Input the BP Code. Include this transaction as a deduction during the Payment process for the Subcontractor.
Proceed to 2.3.4.1.10 Purchase of Subcontracted Services Payment Process								

2.3.4.4 Process Flow
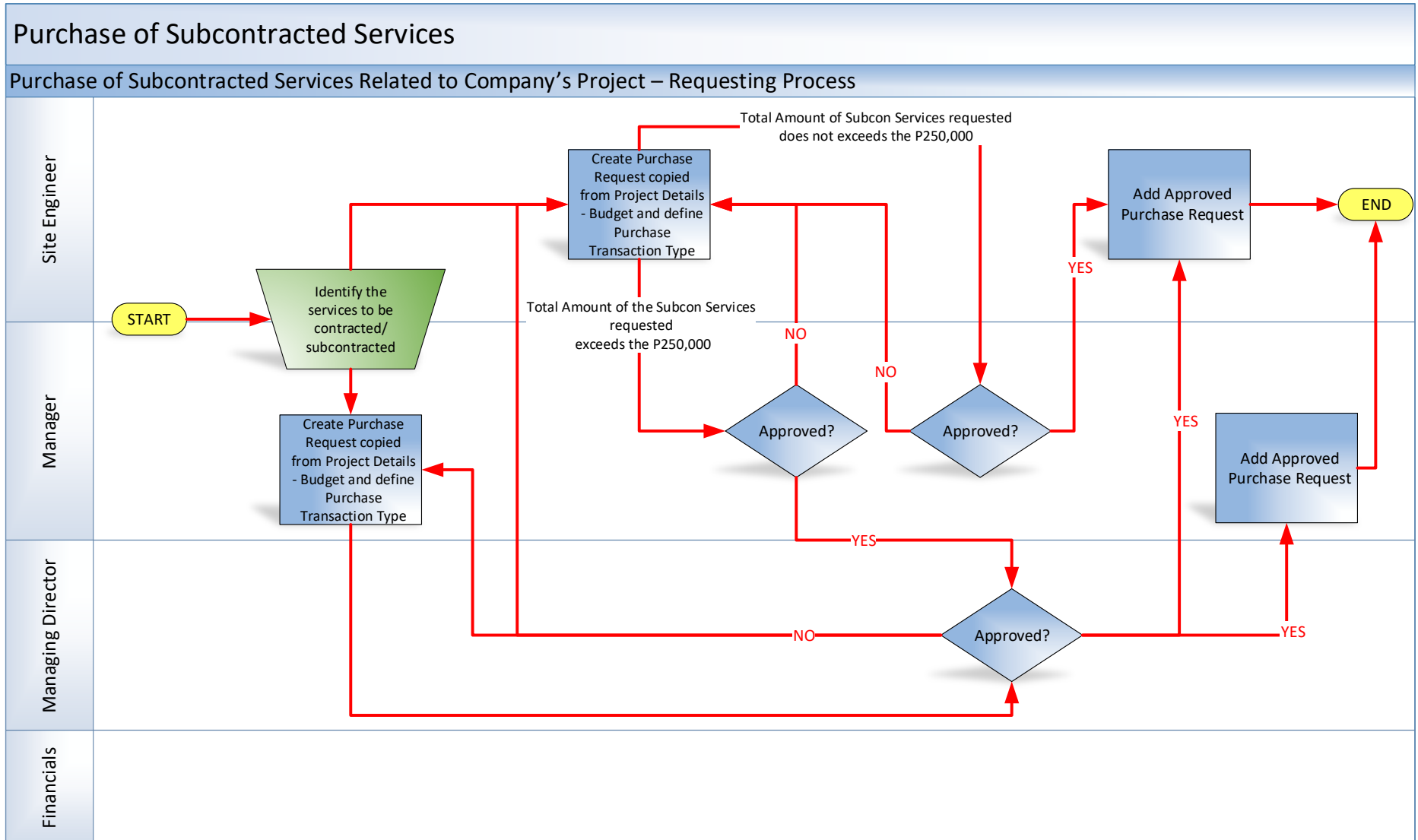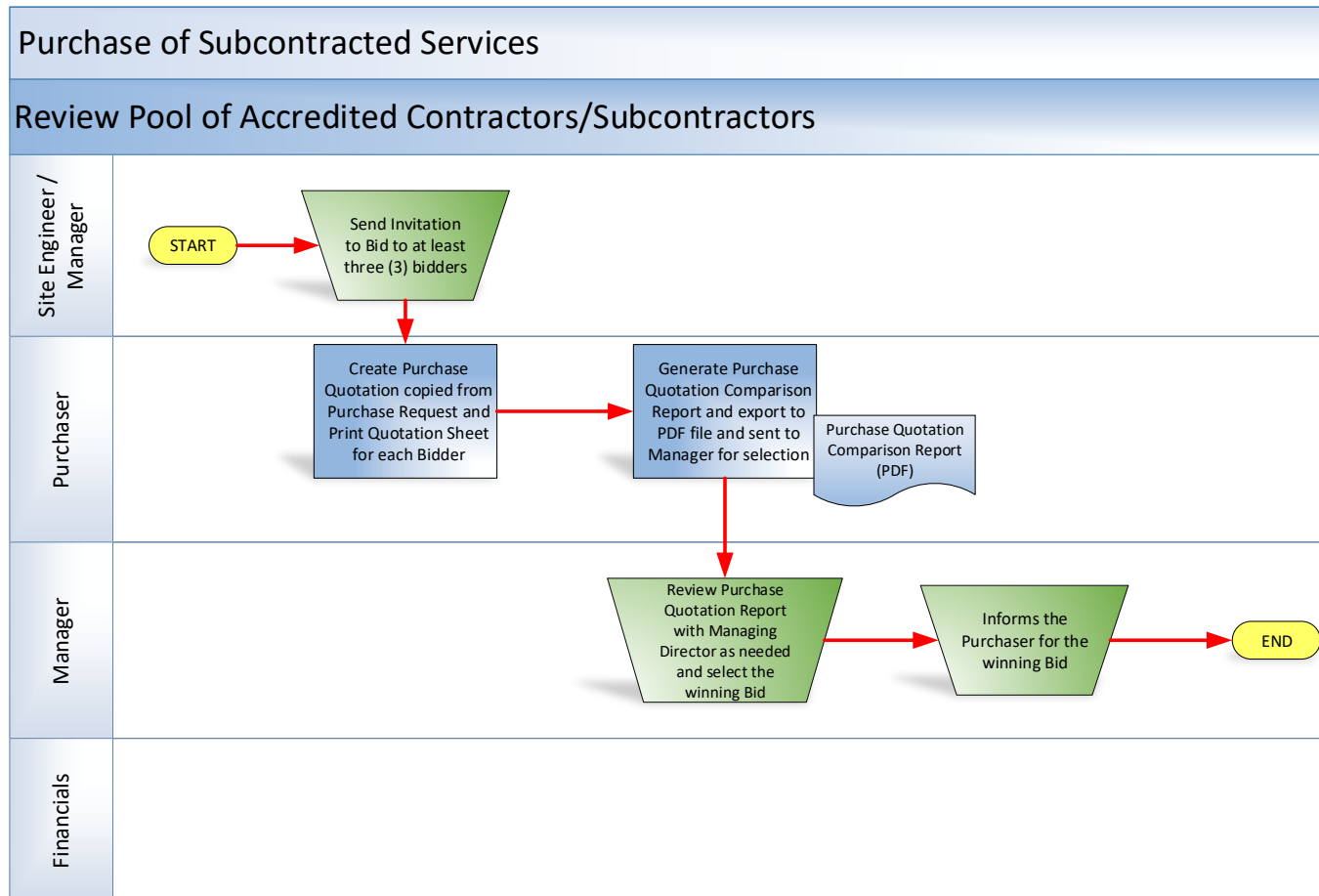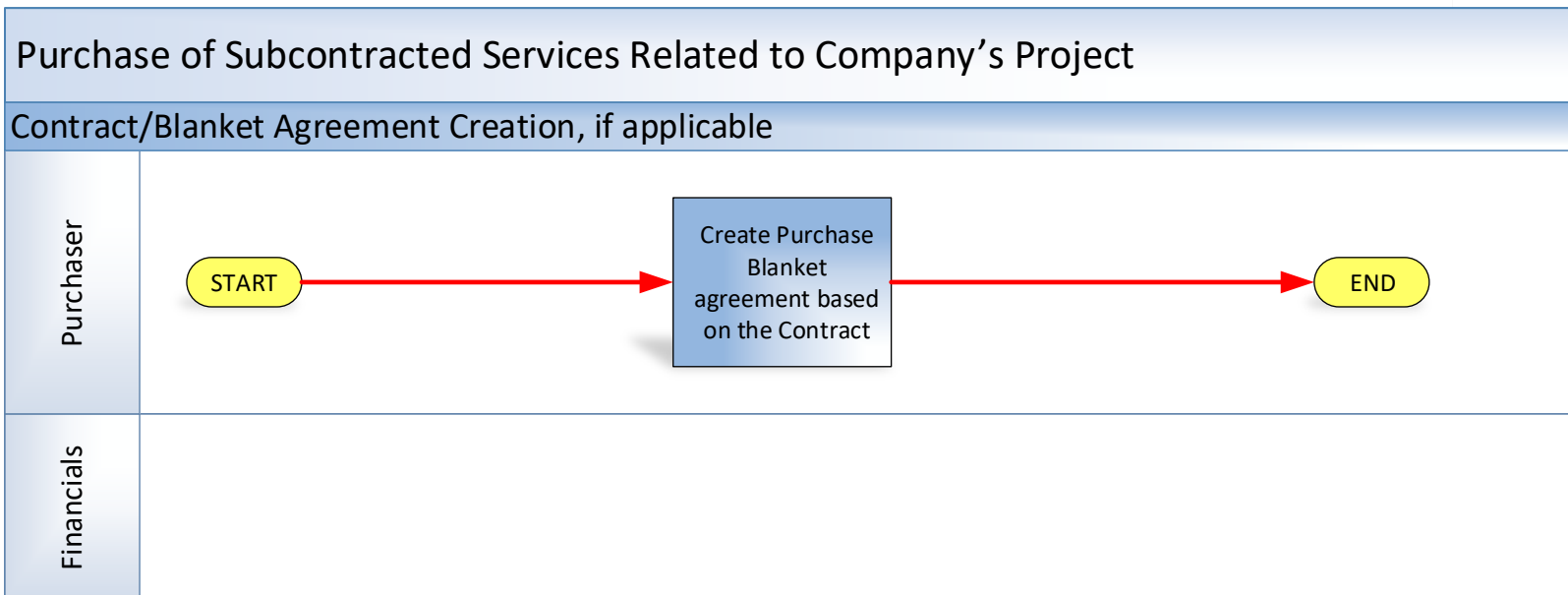
Purchase of Subcontracted Services

Review Pool of Accredited Contractors/Subcontractors

Purchase of Subcontracted Services Related to Company's Project

Contract/Blanket Agreement Creation, if applicable

Purchase of Subcontracted Services

Purchase of Subcontracted Services Related to Company's Project – Ordering Process

START

Generate Purchase Order from Purchase Quotation Comparison Report based on the Approved or forwarded Purchase Quotation No.

Below 250,000 and Total Amount Does not exceeds Budgeted Amount

Add Approved Purchase Order

END

Purchase Order

Contract Layout

Above 250,000 and/or Total Amount exceeds Budgeted Amount

Approved?

YES

NO

Approved?

NO

Purchaser

Manager

Approved?

NO

YES

Managing Director

Financials

Purchase of Subcontracted Services

Purchase of Subcontracted Services – Notice of Award and Notice to Proceed

Purchaser

START → Provide the Notice of Award to the selected bidder → Procure the materials that may be needed

Notice of Award

Contract Layout

Proceed to Purchase of Local Items process → Provide the Notice to Proceed to the selected Contractor/ Subcontractor → END

Notice to Proceed

Financials

Purchase of Subcontracted Services

Purchase of Subcontracted Services – Mobilization/Advance Payment Process

Accounts Payable In-charge 1

START → Create AP Down Payment-draft → Add the approved AP Down Payment Invoice → Proceed to Payment process → END

Accounts Payable In-charge 2

NO ← Approved? → YES

Financials

Journal Entry

AP Down Payment Invoice:
Dr. Advances to Suppliers
Cr. Accounts Payable

Purchase of Subcontracted Services

Purchase of Subcontracted Services – Subcontractor's Billings and Recoupment Process

Site Engineer

START → Receipt of Statement of Work from the Subcontractor → Statement of Work

Site Engineer/ Manager

Validated and approved? — NO / YES

Accounts Payable In-charge 1

Create AP Invoice-draft → Add the approved AP Invoice → Progress Billing Report → Proceed to Payment process → END

Accounts Payable In-charge 2

Approved? — NO / YES

Financials

Journal Entry

AP Invoice:
Dr. Construction in Progress
Dr. Input Tax
Cr. Accounts Payable
Cr. Advances to Suppliers
Cr. Expanded Withholding Tax

Purchase of Subcontracted Services

Purchase of Subcontracted Services Related to Company's Project– Retention Payable Recognition Process
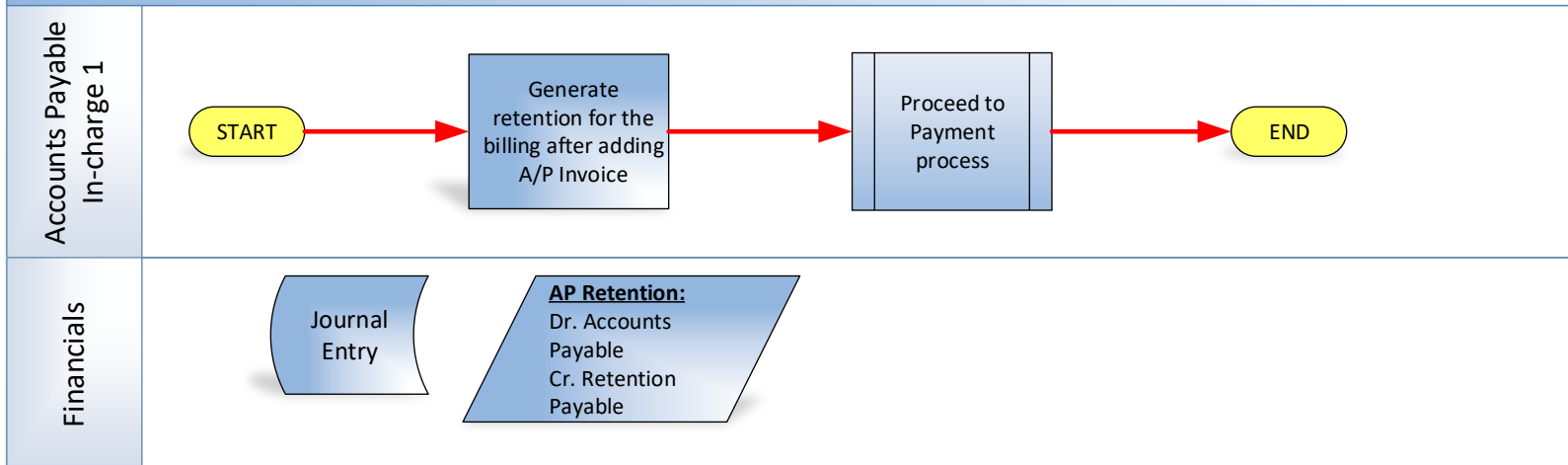
Accounts Payable In-charge 1

START → Generate retention for the billing after adding A/P Invoice → Proceed to Payment process → END

Financials

Journal Entry

AP Retention:
Dr. Accounts Payable
Cr. Retention Payable

Purchase of Subcontracted Services

Purchase of Subcontracted Services Related to Company's Project– Payment Process

Purchase of Subcontracted Services

Purchase of Items Chargeable to Subcontractor-Requesting, Ordering, Invoicing, Payment Process

Subcontractor

START → File and sign Material Requisition Slip

Site Engineer/Manager

Approved? — NO / YES

Storage In-charge

Create Stand-Alone Purchase Request ← NO — Available in the Warehouse? — YES → Create Stand-Alone Goods Issue

Purchaser

Proceed to Purchase of Local Items/services — Inventoriable

Accounts Payable In-charge 1

Non-Inventoriable → Proceed to Recognition of Subcon Charges to specific Subcontractor → END

Financials

Journal Entry

Goods Issue:
Dr. Subcon Charges
Cr. Inventories

AP Invoice:
If inventoriable
Dr. Inventory Clearing
Dr. Input Tax
Cr. Accounts Payable
Cr. Expanded Withholding Tax
Cr. Advances to Supplier, if any

AP Invoice:
If non inventoriable
Dr. Subcon Charges
Dr. Input Tax
Cr. Accounts Payable
Cr. Expanded Withholding Tax
Cr. Advances to Supplier, if any

Purchase of Subcontracted Services

Purchase of Items Chargeable to Subcontractor-Recognition of Subcon Charges to Specific Subcontractor

Accounts Payable In-charge 1/ Accounting Manager

START → Create Journal Entry to recognize Subcon Charges to the specific Subcontractor → Proceed to Purchase of Subcontracted Services Payment Process → END

Financials

Journal Entry

Subcon Charges Recognition:
Dr. BP - Accounts Payable
Cr. Subcon Charges

2.3.5 Broker or Agent's Incentives/Commission

2.3.5.1.1 Ordering, Invoicing and Payment Process

#	Process	Person Responsible	Manual or SAP Process	SAP Document	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
Purchase Order Creation:									
1	Generate Computation of Commission Report (Crystal)	Accounting Manager	SAP	Computation of Commission Report (Sales Order)	Purchase Order, Incentives Schedule	-	Computation of Commission Report	-	-
2	Create Stand-Alone Purchase Order Service Type for the Total Incentives or Commission to be given to the Broker/Agent for each unit sold	Accounting Manager	SAP	Draft Purchase Order	Contract Agreement, Sales Order, Computation of Commission Report	For System Approval	-	-	If incentives are to be given in a series of Payment, create multiple rows per incentives schedule. Required Field (Transaction Notification): Reference the Sales Order of the Unit in the Accounting Tab. Define Purchase Transaction Type as either: Other Services – Commission

#	Process	Person Responsible	Manual or SAP Process	SAP Document	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
									Other Services – Incentives
3	Approve or reject Purchase Order	Managing Director	SAP	Approval	Sales Order	-	-	-	-
4	Add approved Purchase Order.	Accounting Manager	SAP	Purchase Order	Approved Purchase Order	-	Computation of Commission Report (Crystal)	-	-

A blocker (Transaction Notification) is created to require Purchase Transaction Type upon adding the document.

A blocker (Transaction Notification) is created to require Project Code upon adding this transaction.

A blocker (Transaction Notification) is created to prevent adding of Purchase Order with Document Total higher than the Total Commission computed in the Sales Order.

Invoicing									
5	Generate Computation of Commission Report (Crystal)	Accounting Manager	SAP	Computation of Commission Report	Purchase Order, Incentives Schedule	-	Computation of Commission Report	-	-
5	Create A/P Invoice for the part of Incentives to be given per schedule.	Accounts Payable In-Charge 1	SAP	A/P Invoice	Purchase Order, Incentives Schedule	-	-	-	-

#	Process	Person Responsible	Manual or SAP Process	SAP Document	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
6	Review and approve A/P Invoice.	Accounts Payable In-Charge 2	SAP	Approvals	Draft A/P Invoice	-	-	-	-
7	Add the approved A/P Invoice.	Accounts Payable In-Charge 1	SAP	A/P Invoice	Approved A/P Invoice	-	-	Dr. Sales Incentives /Agent's Commission Cr. Accounts Payable – Others	-
A blocker (Transaction Notification) is created to require Purchase Transaction Type upon adding the document.									
A blocker (Transaction Notification) is created to require Project Code upon adding this transaction.									
Proceed to Payment Process.									
END									

2.3.5.1.1 Process Flow

2.3.6 Purchase of Imported Items

2.3.6.1 Requesting Process

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
1.	Create Purchase Request copied from Project Details - Budget and define Purchase Transaction Type.	Site Engineer/ Manager	SAP	Purchase Request - Draft	Budget – Subcon / Schedule	For System Approval if condition will be met	-	-	-
2.	Review and approve the Purchase Request.	Manager / Managing Director	SAP	Approvals	Draft Purchase Request, Budget, Schedule	-	-	-	-

A blocker (Transaction Notification) is created to require Purchase Transaction Type upon adding the document.

A blocker (Transaction Notification) is created to require Project Code, Dimensions and Budget No. for Project-related transaction upon adding the document.

Query approval will be activated for project-related requests if Quantity of the items requested exceeds the Budgeted Quantity with Level of Approvals as follow:
        1st Level: Manager
        2nd Level: Managing Director

If the Manager creates the Purchase Request, direct approval by Managing Director.

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
3.	Add the approved Purchase Request.	Site Engineer/ Manager	SAP	Purchase Request	Purchase Request – Approved	-	-	-	-

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
				END					

2.3.6.2   Ordering Process

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
1.	Create Purchase Order copied from Purchase Request.	Purchaser	SAP	Purchase Order - Draft	Approved Purchase Request, Purchase Quotation	For system approval	-	-	-
2.	Review and approve the Purchase Order.	Manager	SAP	Approvals	Draft Purchase Order	-	-	-	-
3.	Add the approved Purchase Order and submit it to supplier.	Purchaser	SAP	Purchase Order	Approved Purchase Order	-	Purchase Order	-	-

- For Purchase Orders other than Commission, Incentives and Fixed Assets, the following level of approvals will apply:

    One (1) Level of Approval for 250,000 and below
        Approver: Manager
    Two (2) Levels of Approval for more than 250,000
        1st Level Approver: Manager
        2nd Level Approver: Managing Director

- Another approval will be activated if Total Amount of the items/services Ordered exceeds the Budgeted Total Amount with Level of Approvals as follow:
        1st Level: Manager
        2nd Level: Managing Director

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
A blocker (Transaction Notification) is created to prevent the responsible person in adding the document with no based purchase request. This will be based on the list of transactions that requires Purchase Request. Refer to 2.3.2.1 Requesting Process.									
A blocker (Transaction Notification) is created to prevent the responsible person in adding the document with no based purchase quotation. This will be based on the list of transactions that requires Purchase Quotations. Refer to 2.3.2.2 Canvassing Process.									
An alert will be activated and received by Storage In-charge once Purchase Order is added.									
END									

2.3.6.3 Purchase of Foreign Currency

This process is applicable if the Supplier requires to be paid through Cash in Foreign Currency.

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
1.	Transact with bank or foreign currency supplier.	Accounting Manager	Manual	-	-	-	-	-	-
2.	Create Outgoing Payments – Account Type	Accounts Payable In-Charge 1	SAP	Draft Outgoing Payments		For System Approval	-	-	-
3.	Review and approve outgoing payment.	Accounts Payable In-Charge 2	SAP	Approvals	Draft Outgoing Payment	-	-	-	-
Levels of Approval for Outgoing Payments are as follow: 1ST Level: Accounts Payable In-Charge 2 2ND Level: Managing Director									
4.	Reject the Draft Outgoing Payment for the Accounts Payable In-Charge to update Check No. field.	Managing Director	SAP	Approvals	Draft Outgoing Payment	-	-	-	This is applicable only for Check Payment Means

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
5.	Update Check No. Field of the rejected Outgoing Payment	Accounts Payable In-Charge 1	SAP	Draft-Rejected Outgoing Payment	Rejected Outgoing Payment	For System Approval	-	-	This is applicable only for Check Payment Means
6.	Review and approve outgoing payment with supplied Check No.	Accounts Payable In-Charge 2/ Managing Director	SAP	Approvals	Draft Outgoing Payment	-	-	-	This is applicable only for Check Payment Means
7.	Add the approved Outgoing Payment.	Accounts Payable In-Charge 1	SAP	Outgoing Payment	Outgoing Payment – Approved	-	Payment Voucher (Crystal)	**If Cash** Dr. Cash on Hand – Foreign Currency Cr. Cash on Hand **If Check / Bank Transfer** Dr. Cash on Hand – Foreign Currency Cr. Cash in Bank	-
8.	Check printing if payment means is Check.	Accounts Payable In-Charge 1	SAP	Checks for Payment	Approved Outgoing Payment	-	Check (Shooting) Check Status Report (Crystal Report)	-	This is applicable only for Check Payment Means
9.	Sign Checks.	Managing Director	Manual	-	Check	-	-	-	This is applicable only for Check Payment Means

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
10.	Release Checks and Open Outgoing Payments to update the following: • Check Status, • Check Released To • Check Release Date	Accounts Payable In-Charge 1	SAP	Outgoing Payments	Payment Voucher, Vendor's OR/CR	-	-	-	This is applicable only for Check Payment Means
				END					

2.3.6.4 Letter of Credit, If applicable

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
1.	Transact with bank.	Accounting Manager	Manual	-	-	-	-	-	-
2.	Provide Letter of Credit to the company	Bank	Manual	-	-	-	Letter of Credit	-	-
A letter of credit, or "credit letter" is a letter from a bank guaranteeing that a buyer's (Evergreen) payment to a seller will be received on time and for the correct amount. In the event that the buyer (Evergreen) is unable to make a payment on the purchase, the bank will be required to cover the full or remaining amount of the purchase. If payment to Seller will be defaulted and Bank will pay for the amount, Accounts Payable In-Charge 2 will manually close the A/P Invoice for the Imported Items and Evergreen Homes will recognize bank loans.									
				END					

2.3.6.5 Down Payment Recognition Process

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
1.	Create AP Down Payment Invoice for the partial or full payment in advance.	Accounts Payable In-Charge 1	SAP	Draft AP Down Payment Invoice	Approved Purchase Order	For System Approval	-	-	-
2.	Review and approved AP Down Payment Invoice.	Accounts Payable In-Charge 2	SAP	Approvals	Draft AP Down Payment Invoice	-	-	-	-
3.	Add the AP Down Payment Invoice.	Accounts Payable In-Charge 1	SAP	AP Down Payment Invoice	Approved AP Down Payment Invoice	-	-	Dr. Advances to Suppliers Cr. Accounts Payable	-
Note: Proceed to payment process.									
END									

2.3.6.6 Receiving Process

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
1.	Check quality and quantity upon receipt of items.	Checker	Manual	-	Supplier Delivery Receipt, GRPO Validation Form (Crystal)	-	Quantity Supplied and Signed GRPO Validation Form	-	-
2.	Once confirmed, create Goods Receipt PO.	Storage In-Charge	SAP	Goods Receipt PO	Supplier Delivery Receipt, GRPO Validation Form (Crystal)	-	Receiving Report (Crystal)	**If inventoriable Items** Dr. Inventories Cr. Inventory Clearing	Required Field: Vendor Reference No.

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
								If non-inventoriable Items No Entry	Required Field: Vehicle's Plate No. Driver's Name:
As a company policy upon checking, items will not be received for those that differs from the Approved Purchase Order. However, for imported items, since returning the items that differ from the Purchase Order would incur higher costs, company will allow the receiving of the items by updating the Purchase Order quantity first. Updating of Purchase Order will trigger the approval process once again. Refer to Receiving of Items with Discrepancies Guidelines									
3.	Manually sign the Receiving Report and provide copy to the Accounting	Storage In-Charge / Checker	Manual	-	Goods Receipt PO	-	Signed Receiving Report	-	-
END									

2.3.6.7 Landed Costs

This process is applicable to the following:

1. Payment of Customs Duties and Taxes
2. Payment of Storage, Demurrage and Container Deposit
3. Payment of Broker's Fee, Total Handling Cost

2.3.6.7.1 Landed Costs Allocation for Estimated Expenses

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
1	Create Landed Costs copied from Goods Receipt PO.	Storage In-Charge	SAP	Landed Costs	GRPO, Bill of Lading	-	-	Dr. Inventory Cr. Landed Cost Clearing	Required Fields Landed Cost Type with Valid Values: 1. Actual 2. Estimated

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
					END				

2.3.6.7.2 Payable Recognition of Landed Costs Incurred

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
1.	Create A/P Invoice – Service Type copied from Landed Cost for the Broker Supplier	Accounts Payable In-Charge 1	SAP	Draft AP Down Payment Invoice	Approved Purchase Order	For System Approval	-	-	-
2.	Review and approved A/P Invoice.	Accounts Payable In-Charge 2	SAP	Approvals	Draft AP Down Payment Invoice	-	-	-	-
3.	Add approved A/P Invoice.	Accounts Payable In-Charge 1	SAP	AP Down Payment Invoice	Approved AP Down Payment Invoice	-	-	Dr. Landed Cost Clearing Cr. Accounts Payable	-
Proceed to payment process.									
A blocker (Transaction Notification) is created to require Broker's Field upon adding the document.									
					END				

2.3.6.8 *Invoicing Process*

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
1.	Create A/P Invoice. Note: Paid Down Payments, if any, will automatically be applied.	Accounts Payable In-Charge 1	SAP	A/P Invoice	Approved Purchase Order, Supplier DR, Supplier Invoice	For system approval		-	Base GRPO is required for Itemized Purchases except for Item type Services
2.	Review and approve A/P Invoice.	Accounts Payable In-Charge 2	SAP	Approvals	Draft A/P Invoice	-	-	-	-
3.	Add the approved A/P Invoice.	Accounts Payable In-Charge 1	SAP	A/P Invoice	Approved A/P Invoice	-	-	**If inventoriable** Dr. Inventory Clearing Dr. Input Tax Cr. Accounts Payable Cr. Expanded Withholding Tax Cr. Advances to Supplier, if any **If non inventoriable** Dr. Construction In Progress/Fixed Asset/Expense Account Dr. Input Tax Cr. Accounts Payable	

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
								Cr. Expanded Withholding Tax Cr. Advances to Supplier, if any	
Note: Proceed to 2.3.2.8 Payment Process for payment of balance, if any.									
END									

2.3.6.9 Payment Process

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
1.	Create Outgoing Payments.	Accounts Payable In-Charge 1	SAP	Draft Outgoing Payment	AP Down Payment Invoice / A/P Invoice	For system approval	-	-	-
2.	Review and approve outgoing payment.	Accounts Payable In-Charge 2/ Managing Director	SAP	Approvals	Draft Outgoing Payment	-	-	-	-
Levels of Approval for Outgoing Payments are as follow: 1ST Level: Accounts Payable In-Charge 2 2ND Level: Managing Director									
3.	Reject the Draft Outgoing Payment for the Accounts Payable In-Charge to update Check No. field.	Managing Director	SAP	Approvals	Draft Outgoing Payment	-	-	-	This is applicable only for Check Payment Means
4.	Update Check No. Field of the rejected Outgoing Payment	Accounts Payable In-Charge 1	SAP	Draft-Rejected Outgoing Payment	Rejected Outgoing Payment	For System Approval	-	-	This is applicable only for Check Payment Means

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
5.	Review and approve outgoing payment with supplied Check No.	Accounts Payable In-Charge 2/ Managing Director	SAP	Approvals	Draft Outgoing Payment	-	-	-	This is applicable only for Check Payment Means
6.	Add the approved Outgoing Payment.	Accounts Payable In-Charge 1	SAP	Outgoing Payment	Outgoing Payment – Approved	-	Payment Voucher (Crystal)	**Through Foreign Currency Denomination – Cash Payment Means:** Dr. Accounts Payable Cr. Cash on Hand – Foreign Currency **Through Telegraphic Transfer/Bank Transfer:** Dr. Accounts Payable Cr. Cash in Bank – Foreign Currency/ Peso Account	-
7.	Check printing if payment means is Check.	Accounts Payable In-Charge 1	SAP	Checks for Payment	Approved Outgoing Payment	-	Check (Shooting) Check Printing Status	-	This is applicable only for Check Payment Means

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
							Report (Crystal)		
8.	Sign Checks.	Managing Director	Manual	-	Check	-	-	-	This is applicable only for Check Payment Means
9.	Release Checks and Open Outgoing Payments to update the following: • Check Status, • Check Released To • Check Release Date.	Accounts Payable In-Charge 1	SAP	Outgoing Payments	Payment Voucher, Supplier's OR/CR	-	-	-	This is applicable only for Check Payment Means
	END								

2.3.6.10 Additional Landed Costs Allocation, if applicable

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
1	Create Landed Costs copied from Goods Receipt PO	Storage In-Charge	SAP	Landed Costs	GRPO, Bill of Lading	-	-	Dr. Inventory Cr. Landed Cost Clearing	Required Fields Landed Cost Type with Valid Values: 1. Actual 2. Estimated This is for additional expenses. Proceed to

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
–									Landed Costs – Payable Recognition Process.

Proceed to 2.3.6.7.2 Payable Recognition of Landed Costs Incurred Process.
END

2.3.6.11 Process Flow

Purchase of Imported Items – Requesting Process

Purchase of Imported Items – Ordering Process

Purchaser

START

Create Purchase Order copied from Purchase Request or Purchase Quotation

Above 250,000 and/or Total Amount exceeds Budgeted Amount

Below 250,000 and Total Amount Does not exceeds Budgeted Amount

Add Approved Purchase Order

Purchase Order

GRPO Validation Form

Send copy to Supplier

Purchase Order

Update Conformed by and Date conformed in Purchase Order

END

YES

Manager

NO

Approved?

Approved?

YES

Managing Director

NO

NO

Approved?

YES

Financials

Purchase of Imported Items – Purchase of Foreign Currency

Purchase of Imported Items – Letter of Credit

Purchase of Imported Items - Down Payment and Receiving Process

Accounts Payable In-charge 1

Start → Create AP Down Payment Invoice → Add the approved AP Down Payment Invoice → Proceed to Payment process

Accounts Payable In-charge 2

Approved?
- NO
- YES

Checker

Check quality and quantity upon receipt of items

Quantity Supplied and Signed GRPO Validation Form

Sign Receiving Report and provide copy to Accounting

Signed Receiving Report

END

Storage In-charge

Create Goods Receipt PO

Receiving Report

Financials

Journal Entry

AP Down Payment Invoice:
Dr. Advances to Suppliers
Cr. Accounts Payable

Goods Receipt PO:
If Inventoriable Items
Dr. Inventories
Cr. Inventory Clearing

Purchase of Imported Items

Landed Cost-Landed Costs Allocation for Estimated Expenses

Storage In-charge

Start → Create Landed Costs copied Goods Receipt PO → END

Financials

Journal Entry

Landed Cost:
Dr. Inventory
Cr. Landed Cost Clearing

Purchase of Imported Items-Landed Costs

Payable Recognition Process of Landed cost incurred

Accounts Payable In-charge 1

Start → Create A/P Invoice – Service Type copied from Landed Cost for the Broker Supplier → Add approved AP Invoice → Proceed to Payment process → END

Accounts Payable In-charge 2

Approved?
NO
YES

Financials

Journal Entry

AP Invoice:
Dr. Landed Cost Clearing
Cr. Accounts Payable

Purchase of Imported Items – Invoicing Process

Accounts Payable In-charge 1

Start → Create AP Invoice-draft → Add approved AP Invoice → Proceed to Payment process → END

Accounts Payable In-charge 2

NO ← Approved? → YES

Financials

Journal Entry

AP Invoice:
If inventoriable
Dr. Inventory Clearing
Dr. Input Tax
Cr. Accounts Payable
Cr. Expanded Withholding Tax
Cr. Advances to Supplier, if any

AP Invoice:
If non inventoriable
Dr. Construction In Progress/Fixed Asset/Expense Account
Dr. Input Tax
Cr. Accounts Payable
Cr. Expanded Withholding Tax
Cr. Advances to Supplier, if any

Purchase of Imported Items

Additional Landed Cost Allocation

Storage In-charge

Start → Create Landed Costs copied from Goods Receipt PO → Proceed to Payable Recognition Process of Landed cost incurred Process → END

Financials

Journal Entry

Landed Cost:
Dr. Inventory
Cr. Landed Cost Clearing

Purchase of Imported Items – Payment Process

2.3.7 Purchase of Insurance and Bonds

This process is applicable to the following:

- Purchase of Surety Bond, Performance Bond, Guaranty / Warranty Bond
- Purchase of Insurance for Fixed Assets
- Purchase of Other Insurance and Bonds
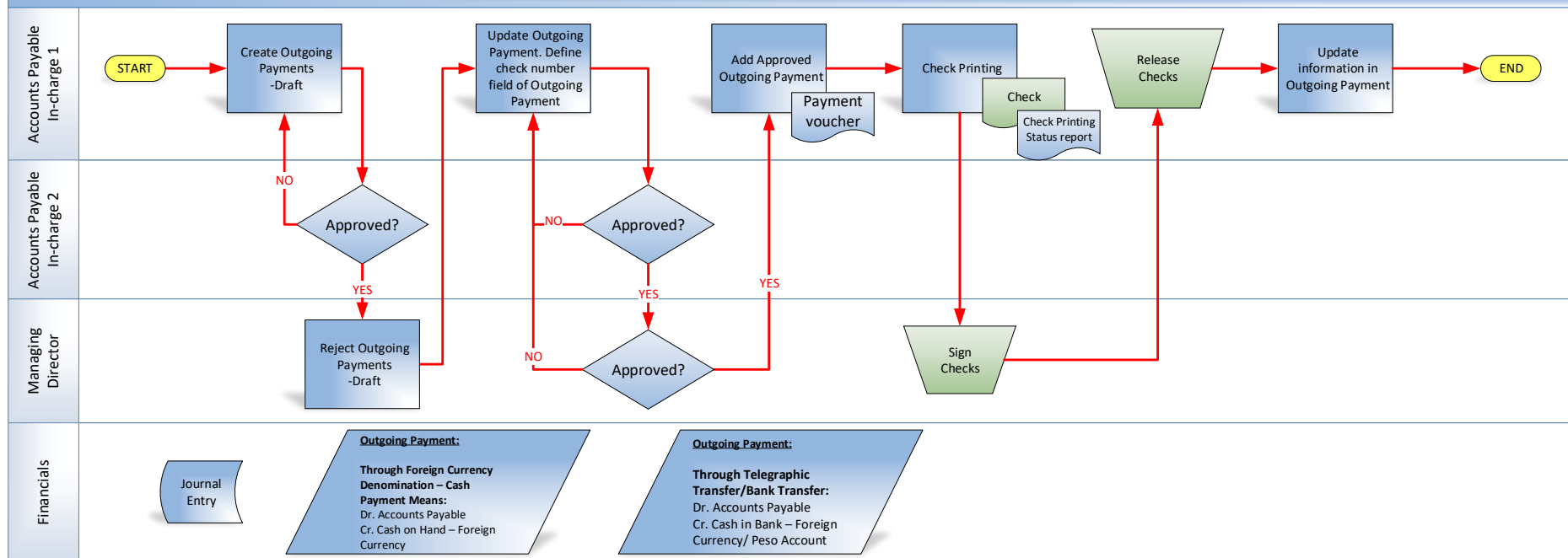
2.3.7.1 Ordering Process

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
1.	Create Stand-Alone Purchase Order.	Purchaser	SAP	Draft Purchase Order	Approved Purchase Request	For system approval	Purchase Order (Crystal)	-	-
2.	Review and approve the Purchase Order.	Managing Director	SAP	Approvals	Draft Purchase Order	-	-	-	-
3.	Add the approved Purchase Order.	Purchaser	SAP	Approved Purchase Order	Purchase Order	-	-	-	-
A blocker (Transaction Notification) is created to require Purchase Transaction Type upon adding the document.									
END									

2.3.7.2 Down Payment Recognition Process

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
1	Create AP Down Payment Invoice for the partial or full payment.	Accounts Payable In-Charge 1	SAP	Draft AP Down Payment Invoice	Approved & Conformed PO	For system approval	-	-	-
2	Review and approve AP Down Payment Invoice.	Accounts Payable In-charge 2	SAP	Approvals	Draft AP Down Payment Invoice	-	-	-	-
3	Add approved AP Down Payment Invoice.	Accounts Payable In-Charge 1	SAP	AP Down Payment Invoice	Approved AP Down Payment Invoice	-	-	Dr. Advances to Suppliers Cr. Accounts Payable	-
Note: Proceed to 2.3.2.8 Payment Process.									
END									

2.3.7.3 Invoicing Process

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
1.	Create A/P Invoice. Note: Paid Down Payments, if any, will automatically be applied.	Accounts Payable In-Charge 1	SAP	Draft A/P Invoice	Approved Purchase Order, Supplier Invoice	For system approval	-	-	-
2.	Review and approve A/P Invoice.	Accounts Payable In-Charge 2	SAP	Approvals	Draft A/P Invoice	-	-	-	-

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
3.	Add the approved A/P Invoice.	Accounts Payable In-Charge 1	SAP	A/P Invoice	Approved A/P Invoice	-	-	Dr. Expense Account Cr. Accounts Payable	-

A blocker (Transaction Notification) is created to require Purchase Transaction Type upon adding the document.
A blocker (Transaction Notification is created to make sure that Purchase Transaction Type and row details is the same as the base document to avoid data inconsistency.

Note: Proceed to 2.3.2.8 Payment Process for payment of balance, if any.
END

2.3.7.4   Payment Process

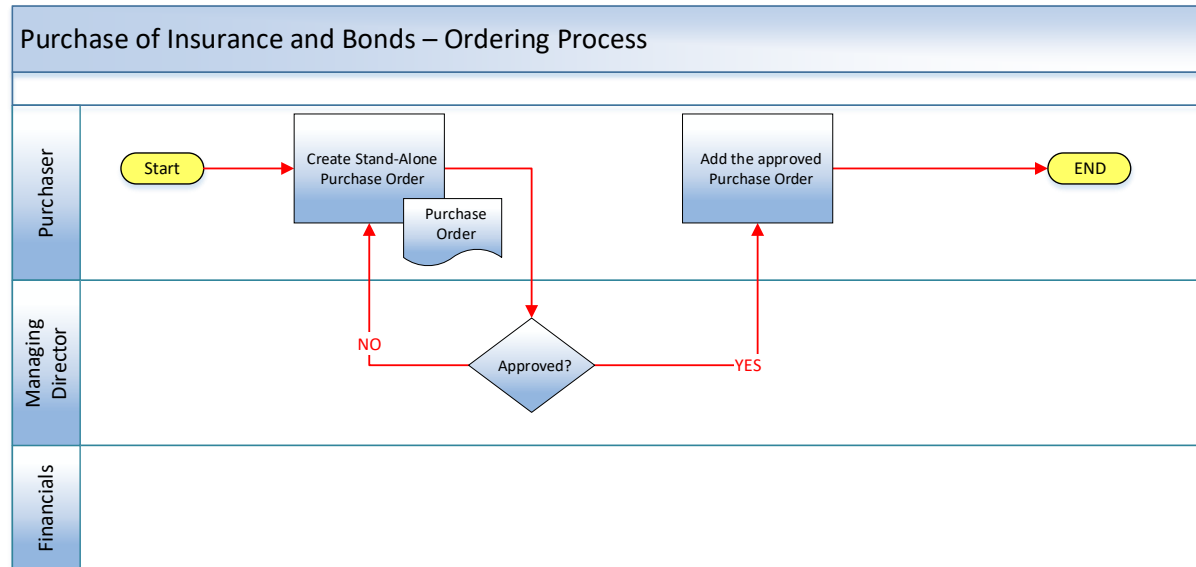| #	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
1.	Create Outgoing Payments.	Accounts Payable In-Charge 1	SAP	Draft Outgoing Payment	AP Down Payment Invoice / A/P Invoice	For system approval	-	-	Notes: If postdated checks, posting date must be the same with check date and due date. If multiple postdated checks will be issued, create one (1) outgoing payment for each check.

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
2.	Review and approve outgoing payment.	Accounts Payable In-Charge 2/ Managing Director	SAP	Approvals	Draft Outgoing Payment	-	-	-	-
	Levels of Approval for Outgoing Payments are as follow: 1ST Level: Accounts Payable In-Charge 2 2ND Level : Managing Director								
3.	Reject the Draft Outgoing Payment for the Accounts Payable In-Charge to update Check No. field.	Managing Director	SAP	Approvals	Draft Outgoing Payment	-	-	-	This is applicable only for Check Payment Means
4.	Update Check No. Field of the rejected Outgoing Payment	Accounts Payable In-Charge 1	SAP	Draft-Rejected Outgoing Payment	Rejected Outgoing Payment	For System Approval	-	-	This is applicable only for Check Payment Means
5.	Review and approve outgoing payment with supplied Check No.	Accounts Payable In-Charge 2/ Managing Director	SAP	Approvals	Draft Outgoing Payment	-	-	-	This is applicable only for Check Payment Means
6.	Add the approved Outgoing Payment.	Accounts Payable In-Charge 1	SAP	Outgoing Payment	Outgoing Payment – Approved	-	Payment Voucher (Crystal)	**If Cash** Dr. Accounts Payable Cr. Cash on Hand **If Check / Bank Transfer** Dr. Accounts Payable Cr. Cash in Bank	-

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
7.	Check printing if payment means is Check.	Accounts Payable In-Charge 1	SAP	Checks for Payment	Approved Outgoing Payment	-	Check (Shooting) Check Printing Status Report (Crystal)	-	This is applicable only for Check Payment Means
8.	Sign Checks.	Managing Director	Manual	-	Check	-	-	-	This is applicable only for Check Payment Means
9.	Release Checks and Open Outgoing Payments to update the following: • Check Status, • Check Released To • Check Release Date.	Accounts Payable In-Charge 1	SAP	Outgoing Payments	Payment Voucher, Supplier's OR/CR	-	-	-	This is applicable only for Check Payment Means
	END								

2.3.7.5 Process Flow

Purchase of Insurance and Bonds – Ordering Process

Purchase of Insurance and Bonds – Down Payment Recognition

Purchase of Insurance and Bonds – Invoicing Process
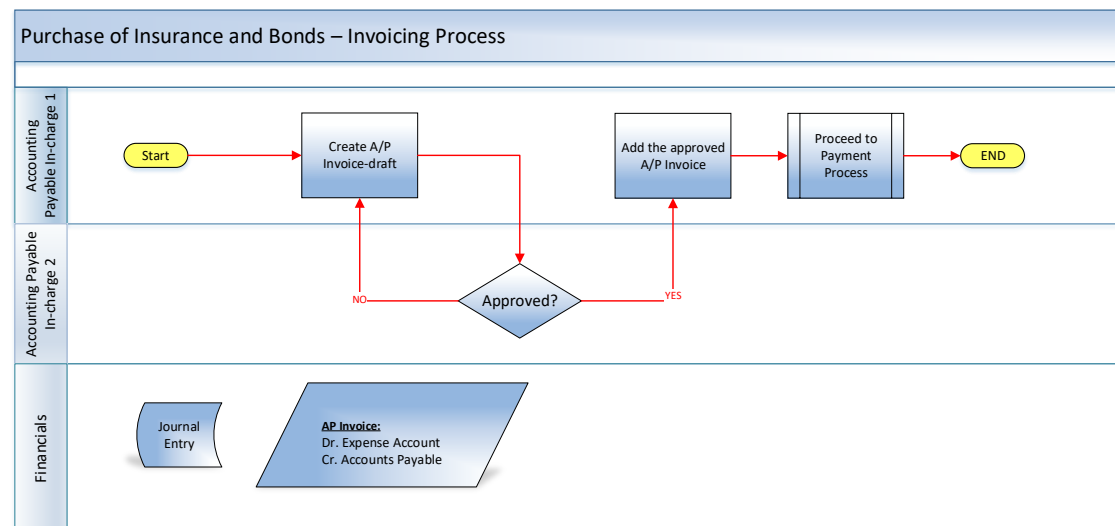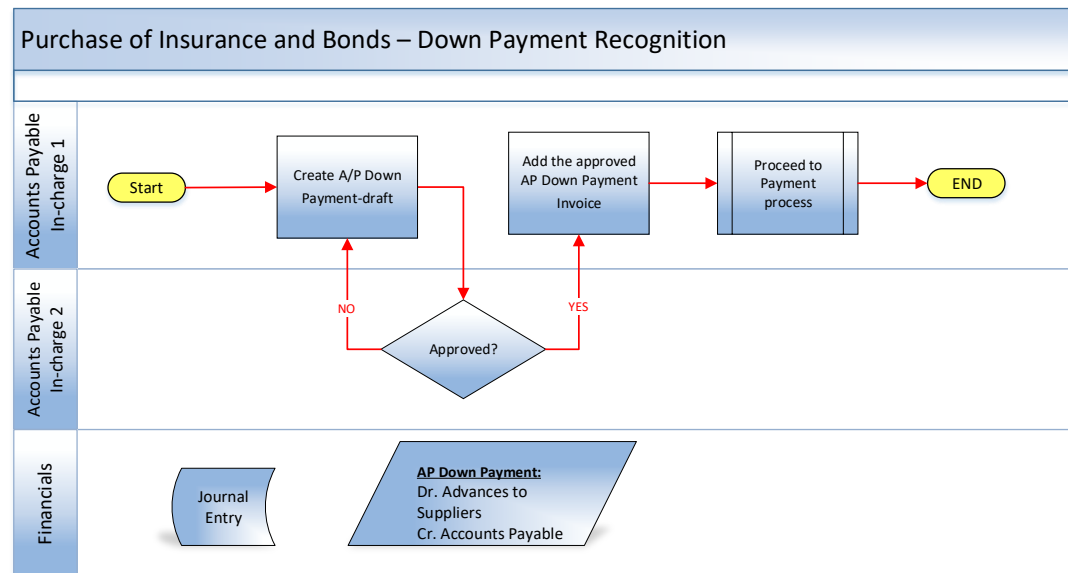
Purchase of Insurance and Bonds – Payment Process
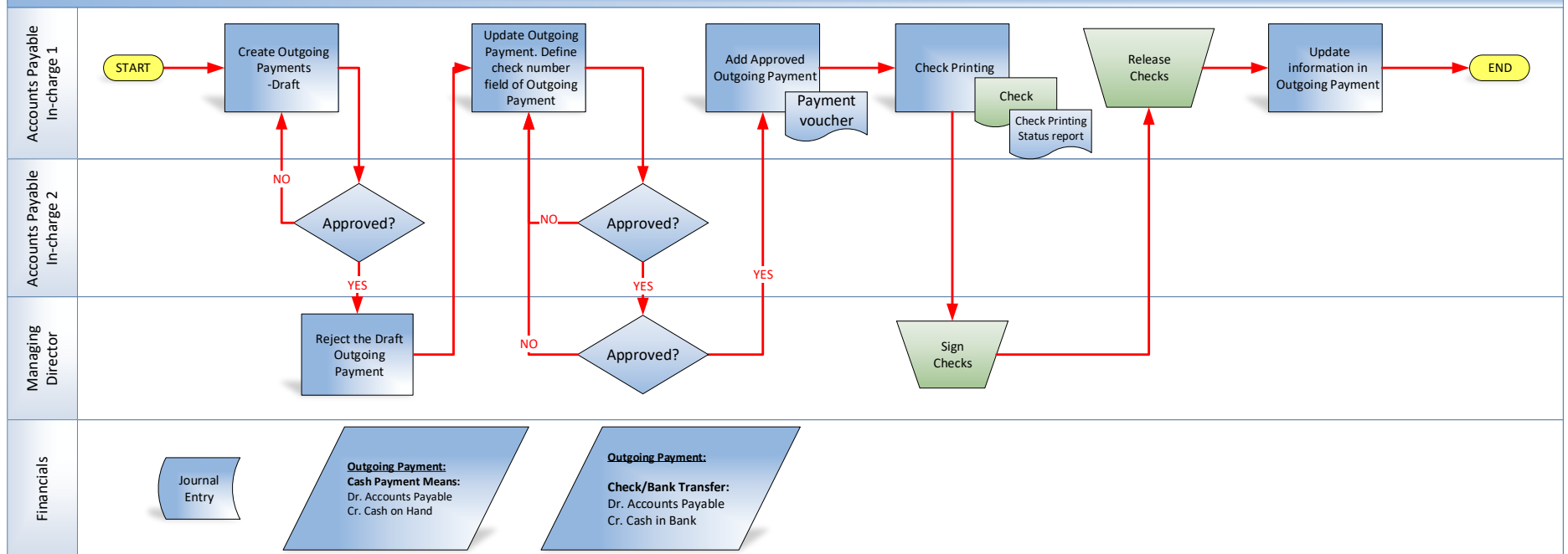
2.3.8 Purchase of Non-PO Items / Services

This process is applicable to the following:

a. Payment of Utilities, Accommodation, Airfare and Other Transportation Expense
b. Payment of Taxes, Fees, Permits, Licenses, Subscriptions (Non-project related)
c. Payment of Salaries and Wages (net of salary deductions)
d. Payment of other Payroll-related expenses
e. Payment of Office Rental and other administrative rental expenses
f. Summer Outing Expenses
g. Petty Cash Expenses

2.3.8.1 Recurring Template Creation, if applicable

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
1.	Create Recurring transactions template using the A/P Invoice-Draft, if applicable.	Accounting Manager	SAP	A/P Invoice, Recurring Transaction – Templates	Supplier Contract	-	-	-	If with contract, tag the Purchase blanket agreement.
				END					

2.3.8.2 Invoicing Process

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
1.	Update and execute Recurring Template - A/P Invoice.	Accounts Payable In-Charge 1	SAP	A/P Invoice	Approved Purchase Order, Supplier DR, Supplier Invoice	For system approval	-	-	-

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
	Note: Paid Down Payments, if any, will automatically be applied.								
2.	Review and approve A/P Invoice.	Accounts Payable In-Charge 2	SAP	Approvals	Draft A/P Invoice	-	-	-	-
3.	Add the approved A/P Invoice.	Accounts Payable In-Charge 1	SAP	A/P Invoice	Approved A/P Invoice	-	-	Dr. Expense Cr. Accounts Payable	-
A blocker (Transaction Notification) is created to require Purchase Transaction Type upon adding the document.									
Note: Proceed to 2.3.2.8 Payment Process.									
END									

2.3.8.3   Payment Process

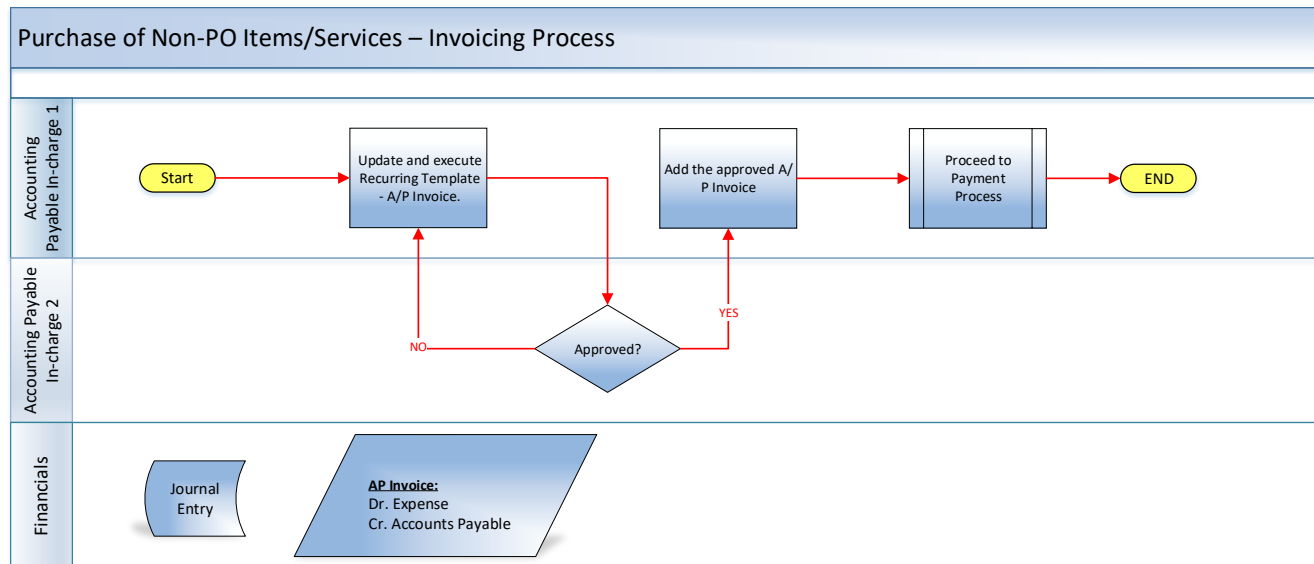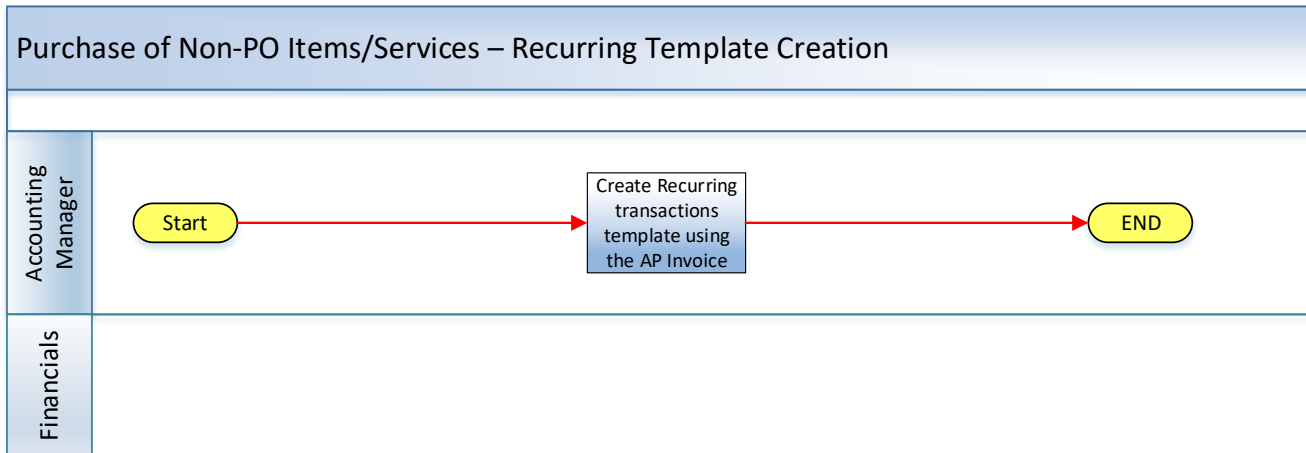| #	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
1.	Create Outgoing Payments.	Accounts Payable In-Charge 1	SAP	Draft Outgoing Payment	AP Down Payment Invoice / A/P Invoice	For system approval	-	-	Notes: If postdated checks, posting date must be the same with check date and due date.

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
									If multiple postdated checks will be issued, create one (1) outgoing payment for each check.
2.	Review and approve outgoing payment.	Accounts Payable In-Charge 2/ Managing Director	SAP	Approvals	Draft Outgoing Payment	-	-	-	-
Levels of Approval for Outgoing Payments are as follow:									

Levels of Approval for Outgoing Payments are as follow:
    1ST Level: Accounts Payable In-Charge 2
    2ND Level : Managing Director

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
3.	Reject the Draft Outgoing Payment for the Accounts Payable In-Charge to update Check No. field.	Managing Director	SAP	Approvals	Draft Outgoing Payment	-	-	-	This is applicable only for Check Payment Means
4.	Update Check No. Field of the rejected Outgoing Payment	Accounts Payable In-Charge 1	SAP	Draft-Rejected Outgoing Payment	Rejected Outgoing Payment	For System Approval	-	-	This is applicable only for Check Payment Means
5.	Review and approve outgoing payment with supplied Check No.	Accounts Payable In-Charge 2/ Managing Director	SAP	Approvals	Draft Outgoing Payment	-	-	-	This is applicable only for Check Payment Means
6.	Add the approved Outgoing Payment.	Accounts Payable In-Charge 1	SAP	Outgoing Payment	Outgoing Payment – Approved	-	Payment Voucher (Crystal)	**If Cash** Dr. Accounts Payable	-

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
								Cr. Cash on Hand **If Check / Bank Transfer** Dr. Accounts Payable Cr. Cash in Bank	
7.	Check printing if payment means is Check.	Accounts Payable In-Charge 1	SAP	Checks for Payment	Approved Outgoing Payment	-	Check (Shooting) Check Printing Status Report (Crystal)	-	This is applicable only for Check Payment Means
8.	Sign Checks.	Managing Director	Manual	-	Check	-	-	-	This is applicable only for Check Payment Means
9.	Release Checks and Open Outgoing Payments to update the following: • Check Status, • Check Released To • Check Release Date.	Accounts Payable In-Charge 1	SAP	Outgoing Payments	Payment Voucher, Supplier's OR/CR	-	-	-	This is applicable only for Check Payment Means
				END					

2.3.8.4 Process Flow

Purchase of Non-PO Items/Services – Recurring Template Creation

Accounting Manager

Start → Create Recurring transactions template using the AP Invoice → END

Financials

Purchase of Non-PO Items/Services – Invoicing Process

Accounting Payable In-charge 1

Start → Update and execute Recurring Template - A/P Invoice. → Add the approved A/P Invoice → Proceed to Payment Process → END

Accounting Payable In-charge 2

Approved? — NO / YES

Financials

Journal Entry

AP Invoice:
Dr. Expense
Cr. Accounts Payable

Purchase of Non-PO Items/Services – Payment Process
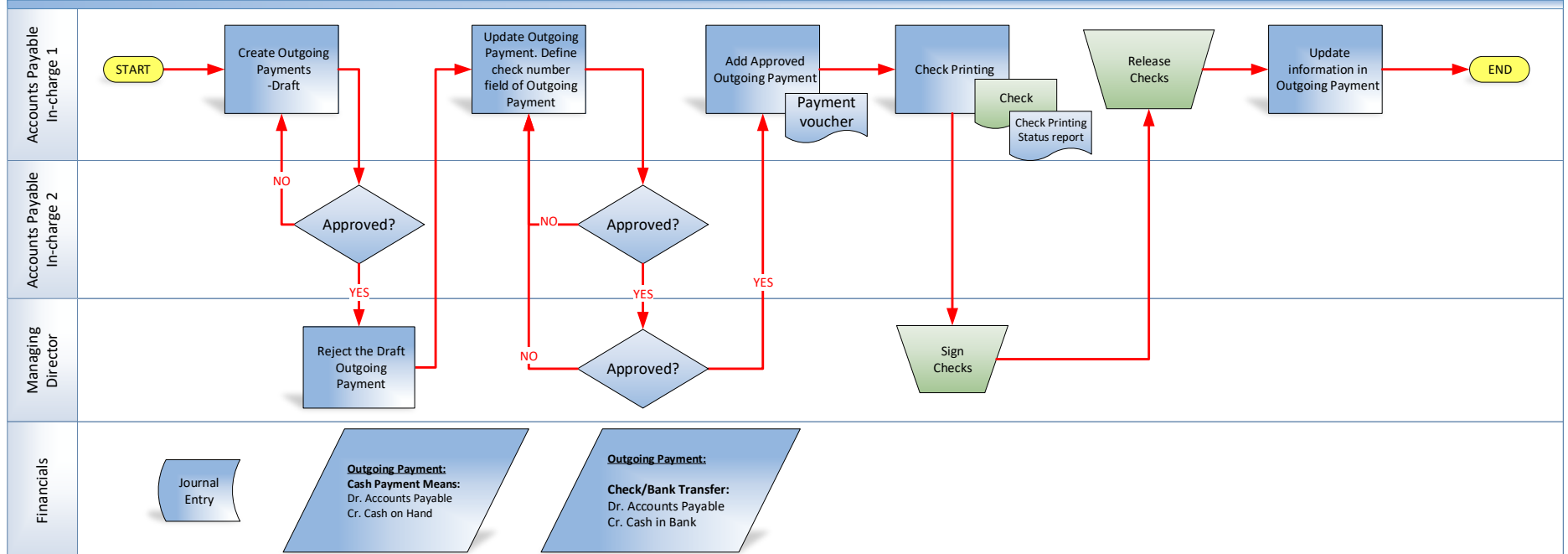
2.3.9 Purchase of Fixed Assets

This process is applicable to the following:

1. Purchase of Fixed Assets for Operations
2. Purchase of Fixed Assets under Financing
3. Purchase of Primary Lots for the Project

The threshold for the capital item to be considered as fixed asset is at least P5,000.00.

2.3.9.1 Recommendation and Fixed Asset Master Data Creation

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
1.	Request for the acquisition of Fixed Asset.	Requestor	Manual	-	-	-	-	-	-
2.	Provide Recommendation Letter	MIS Technical Staff	Manual	-	-	For Manual Approval	-	-	-
3.	Review and approved Recommendation Letter	Managing Director	Manual	-	Recommendation Letter				-
4.	Create Fixed Asset Master Data.	Purchaser	SAP	Fixed Asset Master Data	Approved Recommendation Letter	-	-	-	Define the following if applicable: 1. Project Assignment and Validity

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
									2. Distribution Rule/Cost Center and Validity 3. Specs and other Details specific to the Asset
5.	Create Purchase Request	Purchaser	SAP	Purchase Request	Approved Recommendation Letter	-	-	-	-
END									

2.3.9.2   Canvassing Process

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
Note: This process is applicable to purchase of new items or if necessary. At least 3 suppliers are required for canvassing.									
1.	Canvass at least 3 Suppliers.	Canvasser	Manual	-	Approved Purchase Request, Manually approved Recommendation Letter	-	-	-	-
2.	Create Purchase Quotation copied from the Purchase Request for the selected supplier.	Purchaser	SAP	Purchase Quotation	Approved Purchase Request	-	-	-	Attached the quotation with specs and other details from the Vendor.

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
3.	Generate Purchase Quotation Comparison Report, if applicable.	Purchaser	SAP	Purchase Quotation Comparison Report			Purchase Quotation Comparison Report		
END									

2.3.9.3   Ordering Process

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
1.	Generate Purchase Order from Purchase Quotation Comparison Report	Purchaser	SAP	Purchase Order - Draft	Approved Purchase Request / Approved Purchase Quotation	For system approval	-	-	-
2.	Review and approve the Purchase Order.	Managing Director	SAP	Approvals	Draft Purchase Order, Purchase Quotation Comparison Report	-	-	-	-
3.	Add the approved Purchase Order.	Purchaser	SAP	Purchase Order	Approved Purchase Order	-	Purchase Order (Crystal)	-	-
A blocker (Transaction Notification) is created to require Purchase Transaction Type upon adding the document.									
4.	Send copy to supplier thru fax/email and have it conformed.	Purchaser	Manual	Approved Purchase Order	-	-	Purchase Order with Electronic	-	-

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
							Signature (Crystal)		
5.	Once conformed, update Conformed By and Date Conformed fields in the Purchase Order and attach the signed PO or text confirmation from supplier.	Purchaser	Manual	Purchase Order	Signed PO / Text Confirmation from Supplier	-	-	-	-
	END								

2.3.9.4   *Down Payment Recognition Process*

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
1	Create AP Down Payment Invoice for the partial or full payment.	Accounts Payable In-Charge 1	SAP	Draft AP Down Payment Invoice	Approved & Conformed PO	For system approval	-	-	-
2	Review and approve AP Down Payment Invoice.	Accounts Payable In-charge 2	SAP	Approvals	Draft AP Down Payment Invoice	-	-	-	-
3	Add approved AP Down Payment Invoice.	Accounts Payable In-Charge 1	SAP	AP Down Payment Invoice	Approved AP Down Payment Invoice	-	-	Dr. Advances to Suppliers Cr. Accounts Payable	-
Note: Proceed to Payment Process.									
	END								

2.3.9.5 Invoicing Process

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
1.	Create A/P Invoice. Note: Paid Down Payments, if any, will automatically be applied.	Accounts Payable In-Charge 1	SAP	A/P Invoice	Approved Purchase Order, Supplier DR, Supplier Invoice	For system approval		-	-
2.	Review and approve A/P Invoice.	Accounts Payable In-Charge 2	SAP	Approvals	Draft A/P Invoice	-	-	-	-
3.	Add the approved A/P Invoice.	Accounts Payable In-Charge 1	SAP	A/P Invoice	Approved A/P Invoice	-	-	A/P Invoice Dr. Fixed Assets Clearing Cr. Accounts Payable Capitalization Dr. Fixed Assets Cr. Fixed Assets Clearing	This is the last process if there is full payment before delivery. Automatic capitalization document will be created. Update Asset Value Date in the Accounting Tab if Capitalization Date differs from A/P Invoice Posting Date.

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
A blocker (Transaction Notification) is created to require Purchase Transaction Type upon adding the document.									
Note: Proceed to Payment Process for payment of balance, if any.									
END									

2.3.9.6 Payment Process

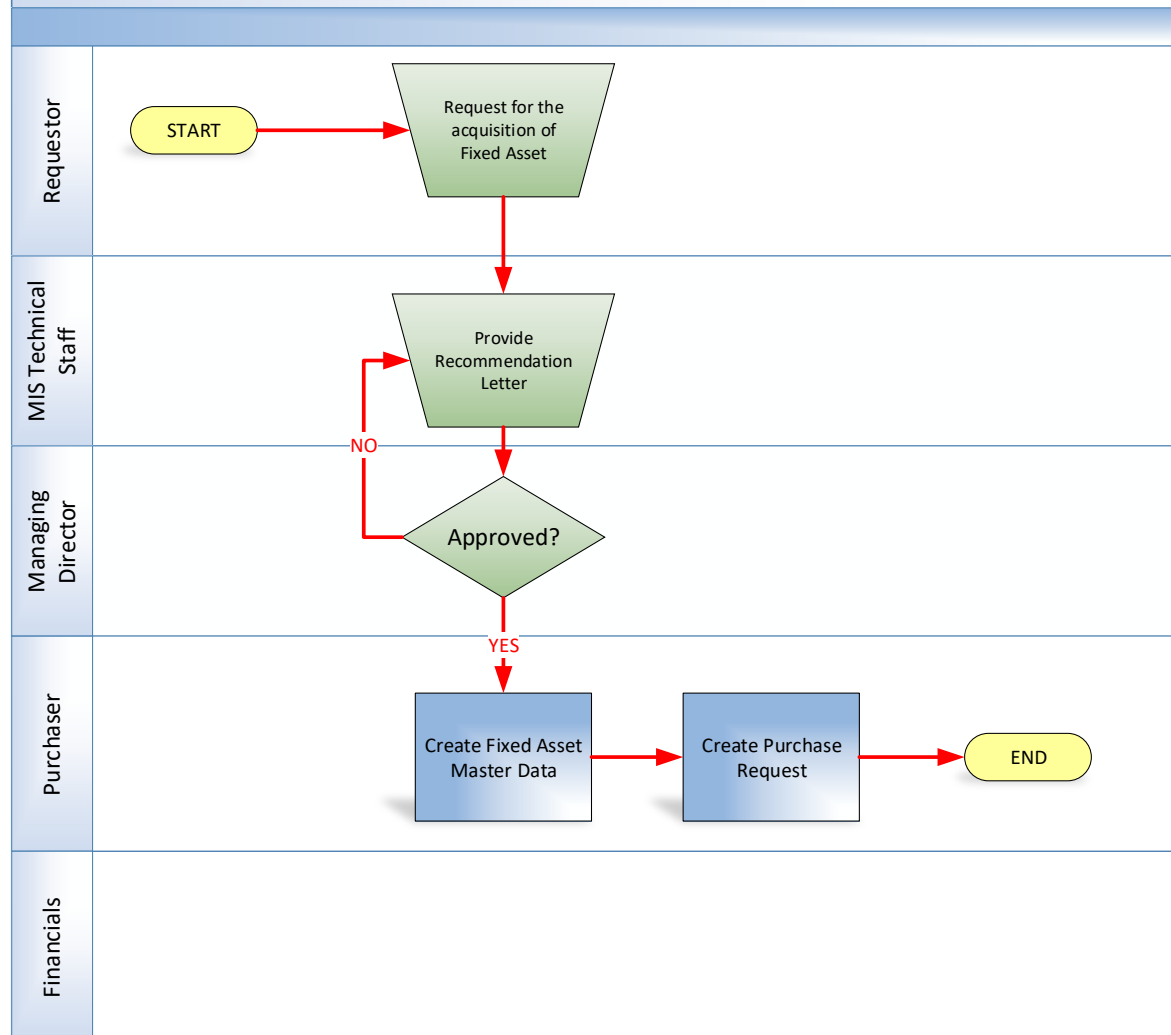| #	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
1.	Create Outgoing Payments.	Accounts Payable In-Charge 1	SAP	Draft Outgoing Payment	AP Down Payment Invoice / A/P Invoice	For system approval	-	-	Notes: If postdated checks, posting date must be the same with check date and due date. If multiple postdated checks will be issued, create one (1) outgoing payment for each check.
2.	Review and approve outgoing payment.	Accounts Payable In-Charge 2/ Managing Director	SAP	Approvals	Draft Outgoing Payment	-	-	-	-

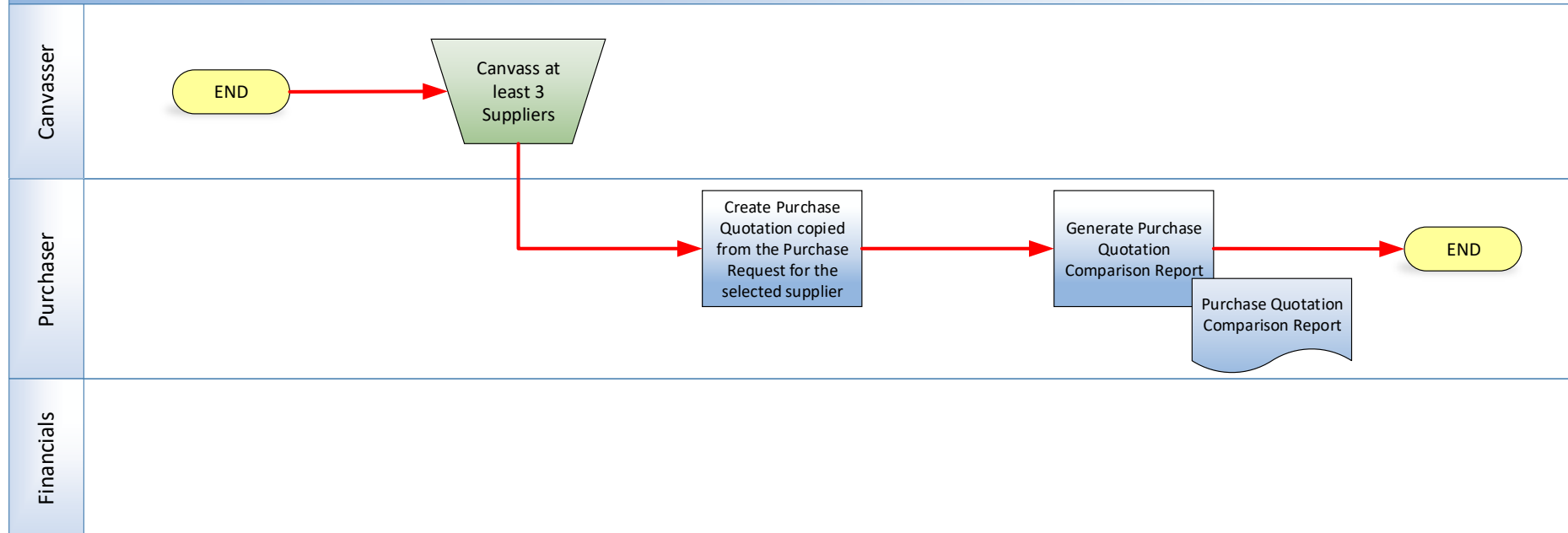| #	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
	Levels of Approval for Outgoing Payments are as follow: 1ST Level: Accounts Payable In-Charge 2 2ND Level : Managing Director								
3.	Reject the Draft Outgoing Payment for the Accounts Payable In-Charge to update Check No. field.	Managing Director	SAP	Approvals	Draft Outgoing Payment	-	-	-	This is applicable only for Check Payment Means
4.	Update Check No. Field of the rejected Outgoing Payment	Accounts Payable In-Charge 1	SAP	Draft-Rejected Outgoing Payment	Rejected Outgoing Payment	For System Approval	-	-	This is applicable only for Check Payment Means
5.	Review and approve outgoing payment with supplied Check No.	Accounts Payable In-Charge 2/ Managing Director	SAP	Approvals	Draft Outgoing Payment	-	-	-	This is applicable only for Check Payment Means
6.	Add the approved Outgoing Payment.	Accounts Payable In-Charge 1	SAP	Outgoing Payment	Outgoing Payment – Approved	-	Payment Voucher (Crystal)	**If Cash** Dr. Accounts Payable Cr. Cash on Hand **If Check / Bank Transfer** Dr. Accounts Payable Cr. Cash in Bank	-
7.	Check printing if payment means is Check.	Accounts Payable In-Charge 1	SAP	Checks for Payment	Approved Outgoing Payment	-	Check (Shooting) Check Printing Status	-	This is applicable only for Check Payment Means

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
							Report (Crystal)		
8.	Sign Checks.	Managing Director	Manual	-	Check	-	-	-	This is applicable only for Check Payment Means
9.	Release Checks and Open Outgoing Payments to update the following: • Check Status, • Check Released To • Check Release Date.	Accounts Payable In-Charge 1	SAP	Outgoing Payments	Payment Voucher, Supplier's OR/CR	-	-	-	This is applicable only for Check Payment Means
	END								

2.3.9.7   Process Flow

Purchase of Fixed Assets – Recommendation and Asset Master Data Creation

Requestor	START → Request for the acquisition of Fixed Asset
MIS Technical Staff	Provide Recommendation Letter
Managing Director	Approved? — NO / YES
Purchaser	Create Fixed Asset Master Data → Create Purchase Request → END
Financials	

Purchase of Fixed Assets – Canvassing Process

Canvasser

END → Canvass at least 3 Suppliers

Purchaser

Create Purchase Quotation copied from the Purchase Request for the selected supplier → Generate Purchase Quotation Comparison Report → END

Purchase Quotation Comparison Report

Financials

Purchase of Fixed Assets – Ordering Process
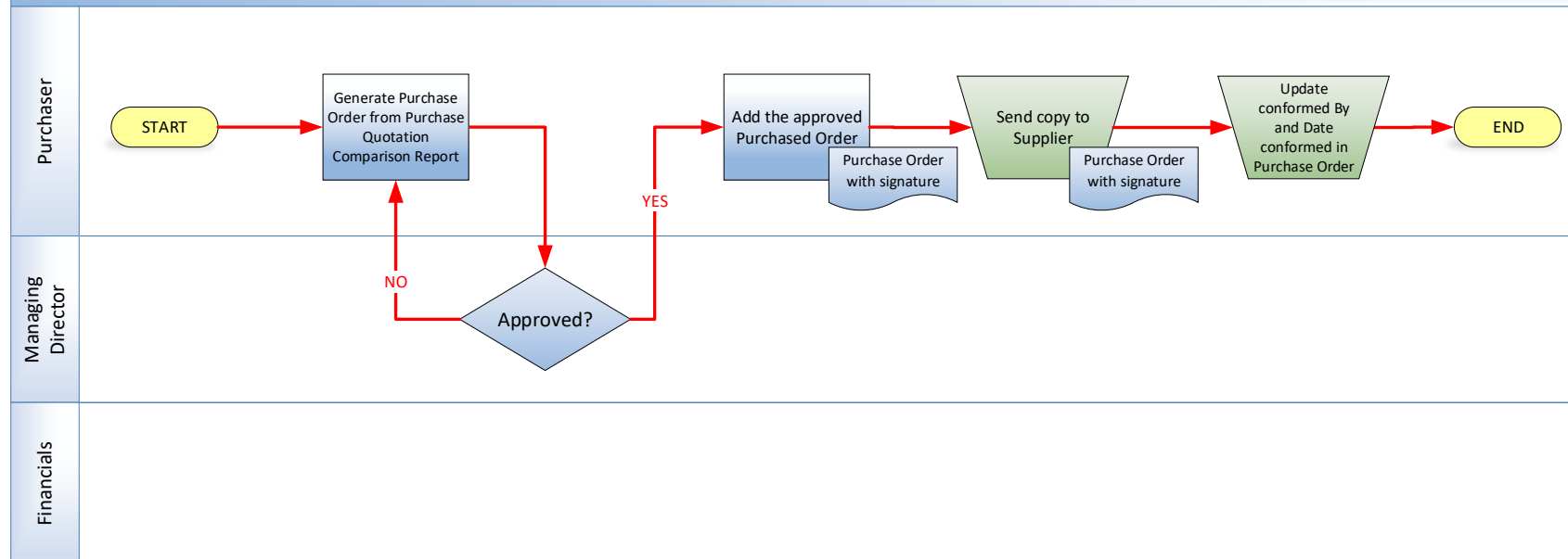
Purchase of Fixed Assets – Down Payment Recognition Process

START

Create AP Down Payment Invoice - draft

Approved?

NO

YES

Add the approved AP Down Payment Invoice

Proceed to Payment process

END

Accounts Payable In-charge 1

Accounts Payable In-charge 2

Financials

Journal Entry

AP Down Payment:
Dr. Advances to Suppliers
Cr. Accounts Payable
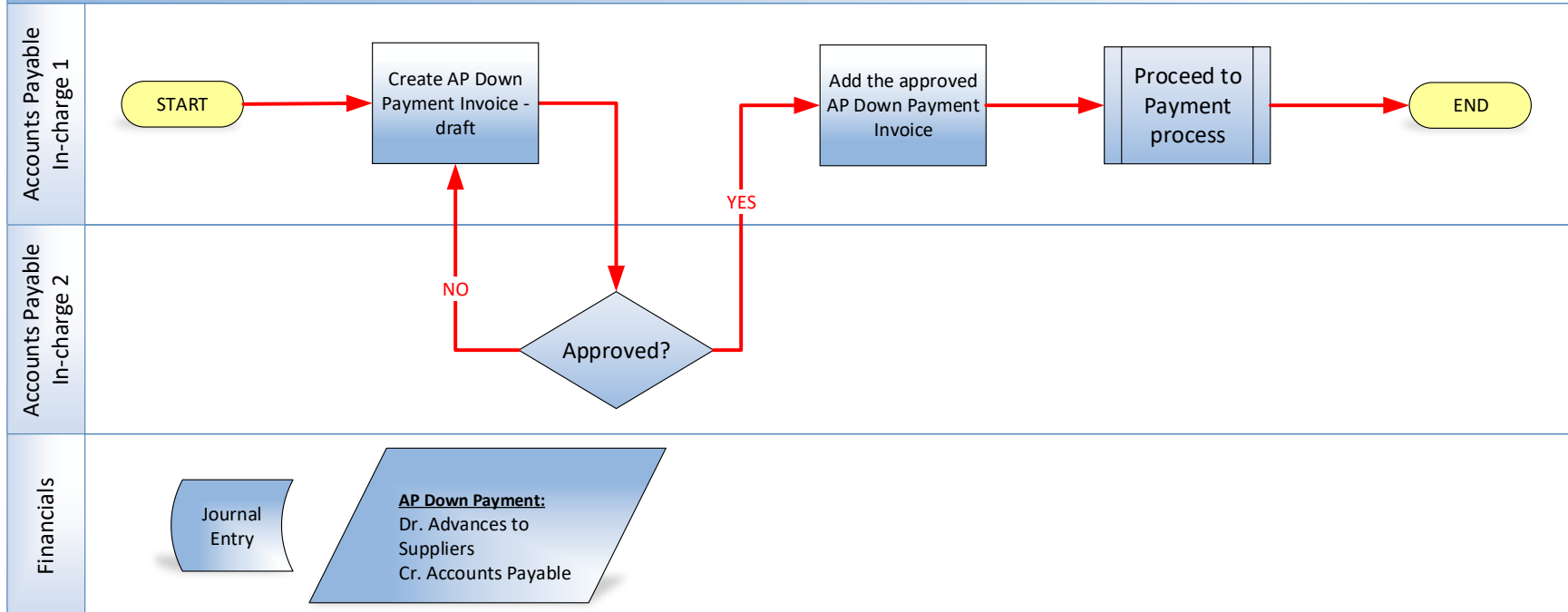
Purchase of Fixed Assets – Invoicing Process

Accounts Payable In-charge 1

START → Create AP Invoice - draft → Add the approved AP Invoice → Proceed to Payment Process → END

Accounts Payable In-charge 2

NO / YES — Approved?

Financials

Journal Entry

AP Invoice:
Dr. Fixed Assets Clearing
Cr. Accounts Payable
Capitalization
Dr. Fixed Assets
Cr. Fixed Assets Clearing
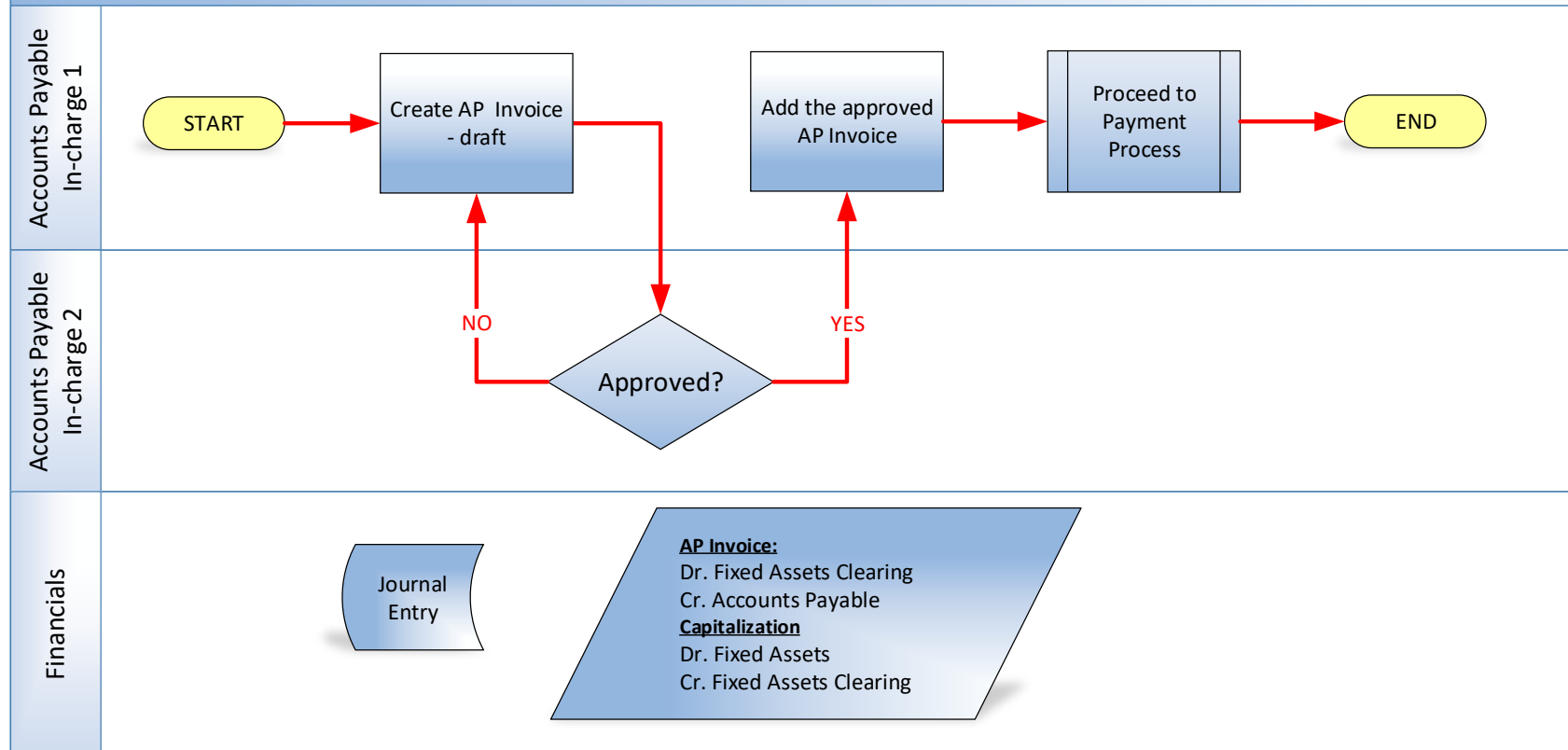
Purchase of Fixed Assets – Payment Process

Accounts Payable In-charge 1

START → Create Outgoing Payments -Draft → Update Outgoing Payment. Define check number field of Outgoing Payment → Add Approved Outgoing Payment → Payment voucher → Check Printing → Check → Check Printing Status report → Release Checks → Update information in Outgoing Payment → END

Accounts Payable In-charge 2

Approved? — NO / YES
Approved? — NO / YES

Managing Director

Reject the Draft Outgoing Payment
Approved? — NO / YES
Sign Checks

Financials

Journal Entry

Outgoing Payment:
Cash Payment Means:
Dr. Accounts Payable
Cr. Cash on Hand

Outgoing Payment:
Check/Bank Transfer:
Dr. Accounts Payable
Cr. Cash in Bank

2.3.10 Bank Loans

2.3.10.1 Receipt of Bank Loans

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
1.	Create Incoming Payment - Vendor Type.	Accounting Manager	SAP	Incoming Payment	Promissory Note	-	-	Dr. Cash in Bank Cr. Notes/Loans Payable	-
Proceed to Collection Reporting Process.									
END									

2.3.10.2 Interest Expense/Payable Recognition

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
1.	Create Recurring Template based on the Draft A/P Invoice – Service Type for Interest Recognition	Accounting Manager	SAP	Recurring Template	Promissory Note, Incoming Payment	-	-	-	-
2.	Update and Execute Recurring Template upon arrival of the execution date.	Accounts Payable In-Charge 1	SAP	A/P Invoice-Draft	Recurring Template, Promissory Note	-	-	-	-
3.	Review and approve A/P Invoice.	Accounts Payable In-Charge 2	SAP	Approvals	Draft A/P Invoice	-	-	-	-

#	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
4.	Add the approved A/P Invoice.	Accounts Payable In-Charge 1	SAP	A/P Invoice	Approved A/P Invoice	-	-	Dr. Interest Expense Cr. Interest Payable	-

A blocker (Transaction Notification) is created to require Purchase Transaction Type upon adding the document.

END

2.3.10.3 *Payment for Principal and Interest*

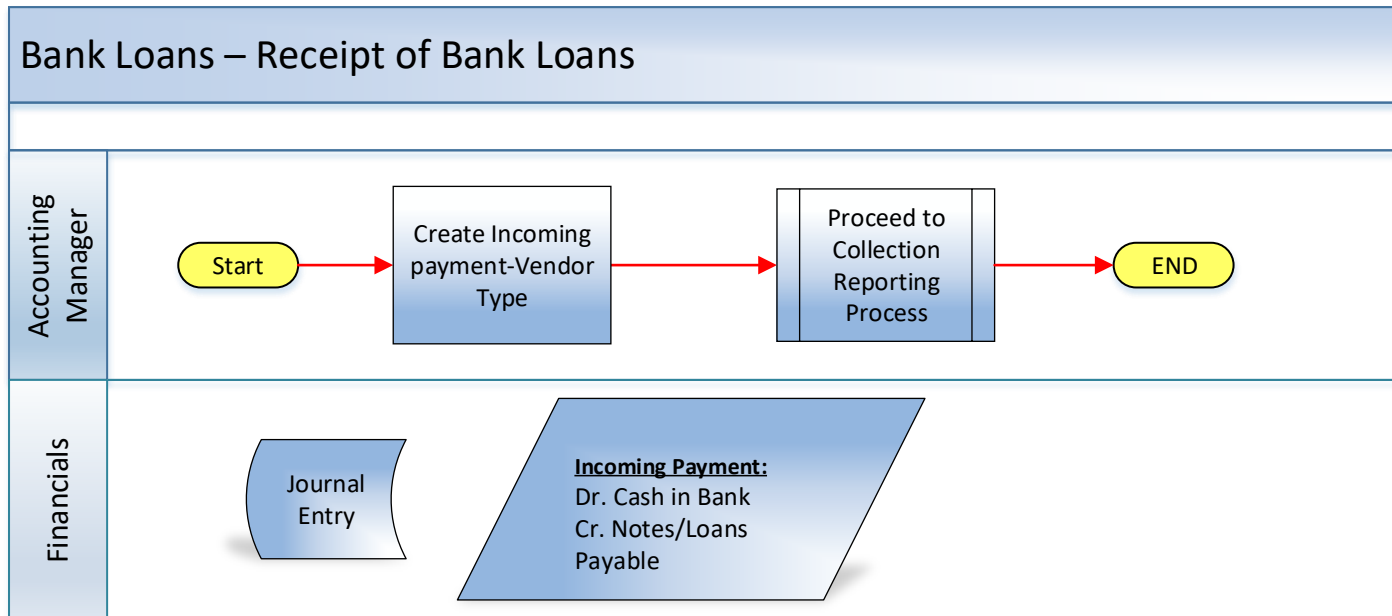| #	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
1.	Create Outgoing Payments.	Accounts Payable In-Charge 1	SAP	Draft Outgoing Payment	AP Down Payment Invoice / A/P Invoice, Incoming Payment for Principal	For system approval	-	-	Notes: If postdated checks, posting date must be the same with check date and due date. Tick both transactions: 1. JE resulting from Receipt of Bank Loans 2. A/P Invoice from Interest Recognition. In the Total Payment Field,

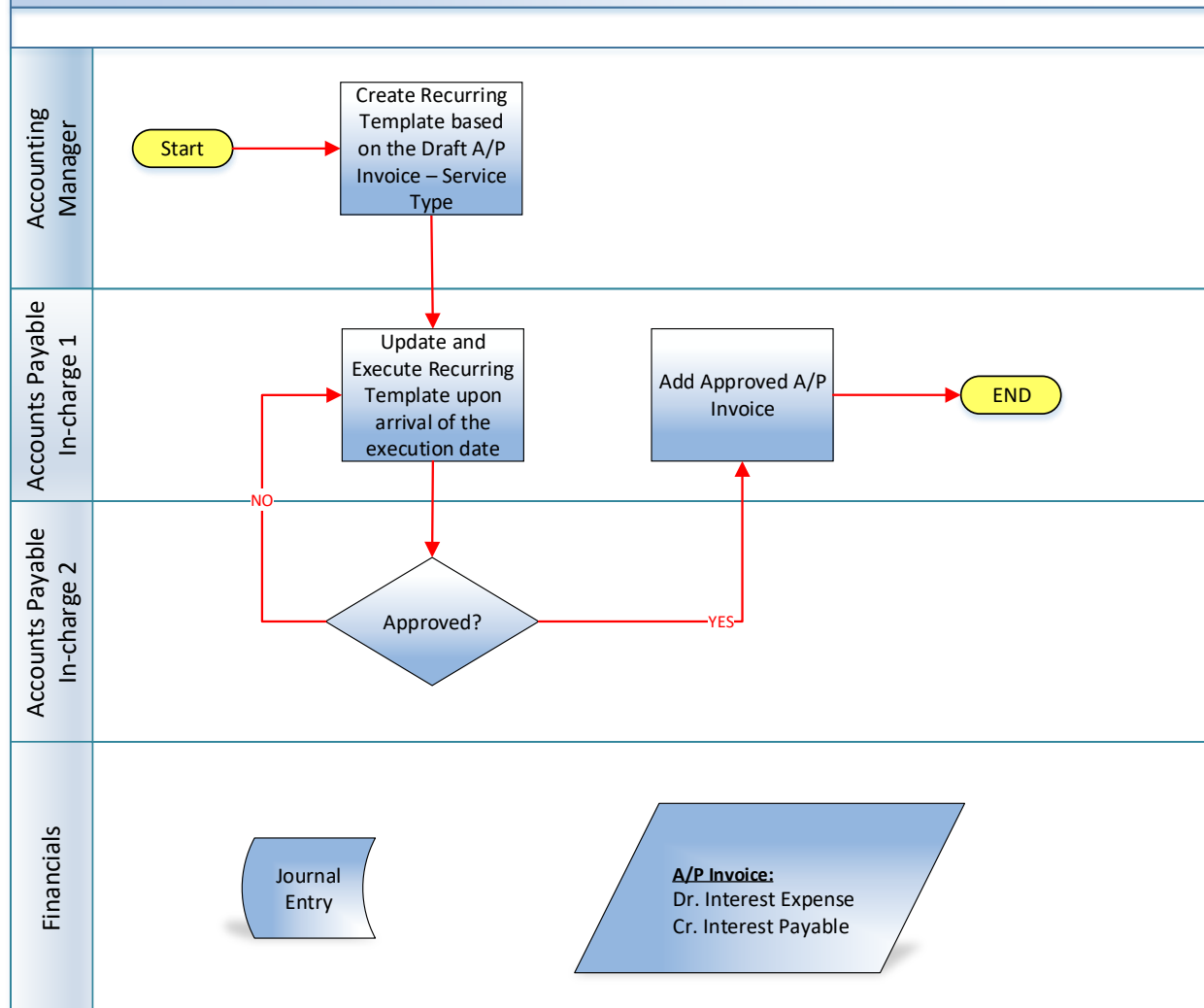| #	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
									input the amount of Principal to be paid.
2.	Review and approve outgoing payment.	Accounts Payable In-Charge 2/ Managing Director	SAP	Approvals	Draft Outgoing Payment	-	-	-	-
Levels of Approval for Outgoing Payments are as follow: 1ST Level: Accounts Payable In-Charge 2 2ND Level : Managing Director									
3.	Reject the Draft Outgoing Payment for the Accounts Payable In-Charge to update Check No. field.	Managing Director	SAP	Approvals	Draft Outgoing Payment	-	-	-	This is applicable only for Check Payment Means
4.	Update Check No. Field of the rejected Outgoing Payment	Accounts Payable In-Charge 1	SAP	Draft-Rejected Outgoing Payment	Rejected Outgoing Payment	For System Approval	-	-	This is applicable only for Check Payment Means
5.	Review and approve outgoing payment with supplied Check No.	Accounts Payable In-Charge 2/ Managing Director	SAP	Approvals	Draft Outgoing Payment	-	-	-	This is applicable only for Check Payment Means
6.	Add the approved Outgoing Payment.	Accounts Payable In-Charge 1	SAP	Outgoing Payment	Outgoing Payment – Approved	-	Payment Voucher (Crystal)	**If Cash** Dr. Notes/Loans Payable Dr. Interest Payable Cr. Cash on Hand	-

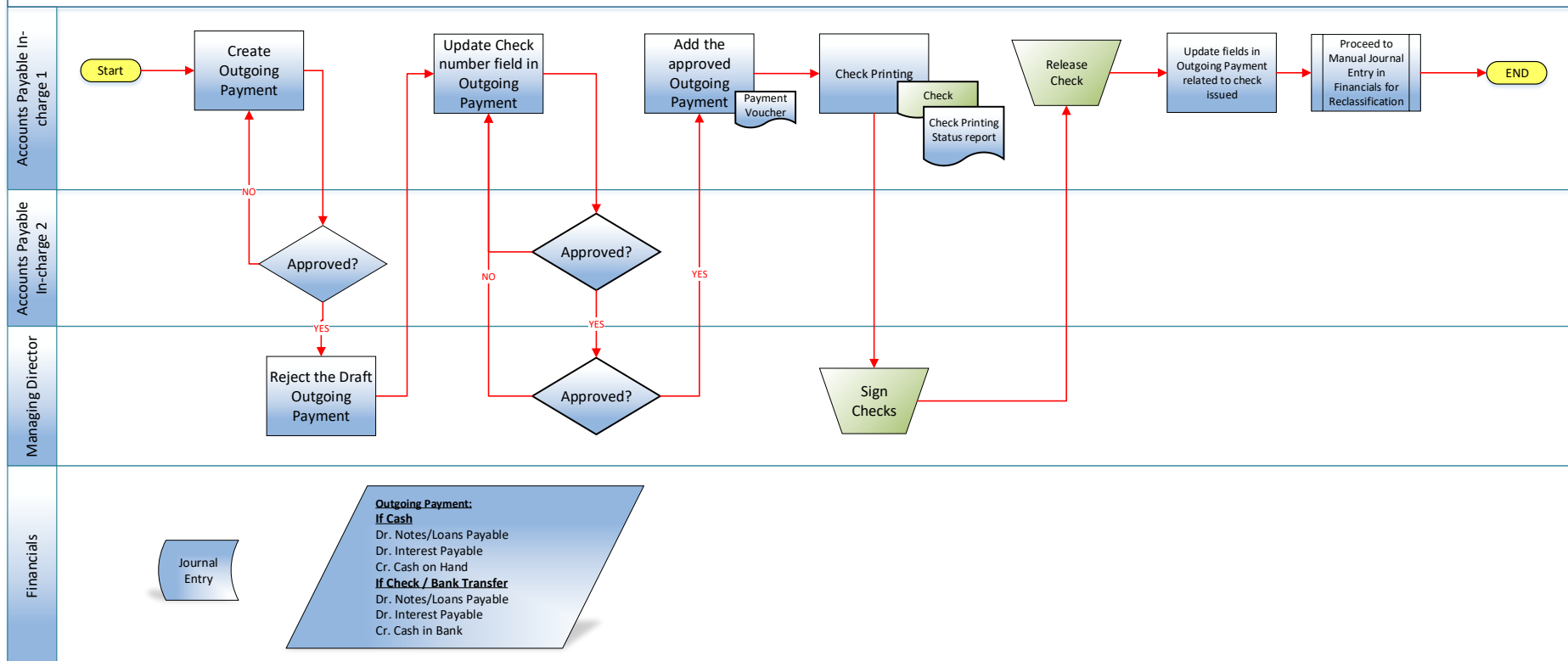| #	Process	Responsible Person	Manual or SAP Process	SAP Document Entry	Reference Document	Pending	Print-Out/Report Generated	Journal Entry	Remarks
								If Check / Bank Transfer Dr. Notes/Loans Payable Dr. Interest Payable Cr. Cash in Bank	
7.	Check printing if payment means is Check.	Accounts Payable In-Charge 1	SAP	Checks for Payment	Approved Outgoing Payment	-	Check (Shooting) Check Printing Status Report (Crystal)	-	This is applicable only for Check Payment Means
8.	Sign Checks.	Managing Director	Manual	-	Check	-	-	-	This is applicable only for Check Payment Means
9.	Release Checks and Open Outgoing Payments to update the following: • Check Status, • Check Released To • Check Release Date.	Accounts Payable In-Charge 1	SAP	Outgoing Payments	Payment Voucher, Bank's OR/CR	-	-	-	This is applicable only for Check Payment Means
Proceed to Manual Journal Entry for reclassification from Long-Term to Short Term Notes/Loans Payable is applicable. Refer to Manual Journal Entry process in the Financials Blueprint.									
END									

2.3.10.4 Process Flow

Bank Loans – Receipt of Bank Loans

Accounting Manager

Start → Create Incoming payment-Vendor Type → Proceed to Collection Reporting Process → END

Financials

Journal Entry

Incoming Payment:
Dr. Cash in Bank
Cr. Notes/Loans Payable

Bank Loans – Interest Expense and Payable Recognition

Accounting Manager

Start

Create Recurring Template based on the Draft A/P Invoice – Service Type

Accounts Payable In-charge 1

Update and Execute Recurring Template upon arrival of the execution date

Add Approved A/P Invoice

END

Accounts Payable In-charge 2

NO

Approved?

YES

Financials

Journal Entry

A/P Invoice:
Dr. Interest Expense
Cr. Interest Payable

Bank Loans – Payment for Principal and Interest

3   FILE MAINTENANCE

a.   Revisions to any or all files maintained for Procure to Pay shall be the responsibility of the Purchaser.

b.   BP supplier code masking:

Series	Prefix	Digits	Suffix
Local Vendors	LOC	5	None
Banks	BNK	5	None
Sales Networks	SLS	5	None
Employees	EMP	5	None
Importation Vendors	IMP	5	None
Affiliates	AFL	5	None
General Contractors	GCN	5	None
Subcontractors	SCN	5	None
Professional Services	PRO	5	None
Government Institutions	GOV	5	None

- Formatted Search will be setup to automatically define Series Code based on the Vendor Group.

c.   Vendors Group that were defined are as follow:

1. Local Vendors
2. Banks

3. Sales Networks
4. Employees
5. Importation Vendors
6. Affiliates
7. General Contractors
8. Subcontractors
9. Professional Services
10. Government Institutions

5. At the minimum, the following fields shall be filled up for the creation of Business Partner – Vendor shall be:

1. Business Partner Code
2. Business Partner Type
3. Business Partner Name
4. Business Partner Group
5. Business Partner TIN
6. Business Partner Address
7. Business Partner Contact Number
8. Currency
9. Vat Code
10. Withholding Tax Code
11. Consolidating BP, if applicable

6. Updating of supplier information shall be the responsibility of Accounting Manager.

4   DOCUMENT SERIES
Standard SAP series shall be used.

-Nothing follows-