

1. To Obtain Estimate Number

- Lead No. from Oxygen
- PNL prepared & signed by CSD
- Projected Internal Cost by Ops without giving them the client billable cost

- **Authorization Matrix for Estimate Approval with PNL:**

<u>Amount</u>	<u>% of Margin</u>	<u>Authorized By</u>
Up to 10,00,000/-	1. 40% & Above	1. BH + CSD + Mgr. A/cs - (within 2 working days)
	2. 25% - 40%	2. Above + SM A/cs - (within 2 working days)
	3. 15% – 25%	3. Above + CFO – (within 2 working days)
	4. Below 15%	4. Above + CEO - (within 3 working days)
From 10,00,001/- to 15,00,000/-		As above + CFO – (within 4 working days)
Above 15,00,001/-		As above + CEO – (within 4 working days)

Note: If the Estimate is approved with lesser margin for particular event by the CFO / CEO, then any other Estimate for the same event & for the same client can be approved by level 2

In an exceptional case only, an estimate can be sent to the client without the estimate number. However, BH / CSD should ensure that the estimate number is taken for these few exceptional cases within 2 days of having sent out the estimate to the client. But, the approval has to be taken as per the above – mentioned matrix before sending the Estimate to the client. Also, for large Estimates i.e. above Rs.15 lacs and / or having lower profitability < 20% or both then CFO & CEO are to be involved from the beginning of the preparation.

- Prepare a '**Estimated Cash Flow Statement**' before the submission of the estimate to ensure that adequate advances are demanded from the client and the –ve cash flow is minimized but in case of a **Negative Cash Flow**, an approval has to be taken as per the 'Negative Cash Flow' approving matrix as mentioned below:

Authorization Matrix for “Negative Cash Flow”

<u>Amount</u>	<u>Authorized By</u>
Up to 50,000/-	Branch Head / Client Servicing Head And Manager Account & Finance and above
From 50,001/- to 2,00,000/-	As above with CFO
Above 2,00,001/-	As above with Director / CEO

NOTE: WE HAVE TO PUT THE FOLLOWING IMPORTANT POINTS WHILE PREPARING AN ESTIMATE SO AS TO ADHERE TO THE GUIDELINES AS SUGGESTED BY OUR COMPLIANCE OFFICER:

- In the applicable cases – Stage wise Billing & Collection clause
- Give Reference to the Scope of Work (SOW) which has been agreed with the client or put it as an annexure to the Estimate.
- Send the Item wise Estimate but with a consolidated amount only. And, if the item wise amount is required then send the same in a normal excel sheet as paste value.
- Get all the working of the Estimate along with T&C vetted by the A&F dept. as per the above-mentioned matrix.

- **Client Credit Limits & Credit Checks:**

- Basic information
- Special attention – New Clients
- Need for both marketing and commercial contacts

2. To Open Lead No. in Accounts

- Signed Estimate along with Event Date / Period
- Client Agreement and / or Client PO
- Client Approval Mail for additional work followed by additional PO
- Approved PNL & PES & Cash Flow
- **Open Action Chart** in Oxygen
- Basis & Support for Internal Costing

BRANCH OPS FUNDS- This fund is created to meet any unforeseen expenses and MUST be within the pre-approved PES / client approval on additional expenses. And, it has to be checked & Okayed by the A&F dept. on the email. (To define unforeseen expenses)

For Bangalore – 20,000/-, For Delhi – 20,000/- , For Mumbai – 10,000/-

NOTE:

- 1) NO CASH PAYMENT CAN BE MADE FOR MORE THAN RS.20,000/-
- 2) This has to be reconciled & settled within a week time and next top up will be done only after settlement of the previous balance.

3. Vendor Purchase Order

Do's & Don'ts

- Do not start work on any project without Client PO (pl check for the authenticity of the PO) OR Client approval on the 'Estimate' (please note that as far as possible get the hard copy of the estimate signed , in absence of the estimate needs to be in the mail body)
- Do not assign any work to the vendor without giving them a PO. The same can only be given post the above steps mentioned above.
- Note all vendor POs need to clearly mention the lead number that they are assigned to and need to match the cost heads in the P&L/PES.
- It is mandatory for all Vendors to be empanelled before any commitment – verbal or otherwise is made to them.

- **Following Procedures has to be followed for sending the PO Request:**

- To send PO Request (3 working days before the event) in proper Format filling with all the details, i.e. payment terms, delivery terms, any other compliances etc.
- P.O. acceptance from Vendor with signature & rubber stamp.
- Item wise detail MATCH with Approved PES.
- For New Vendor - Vendor Registration form to be duly filled with proper supporting & Justification for selecting the new vendor
- Minimum three quotations are submitted for selection of new vendor and for value above Rs.2.00 Lacs for Non Standard Items. Standard items are defined as items which are being procured from pre contracted vendors and rates

- **Authorization Matrix for PO**

Amount	Authorized By
Up to 2,00,000/-	Branch Head / Client Servicing Head And Manager Account & Finance and above
From 2,00,001/- to 5,00,000/-	As above with CFO
Above 5,00,001/-	As above with Director / CEO

4. Vendor Advance Payments

- An advance payment to the vendor will be made only on the receipt of the advance & PO from the client and if the same results in a negative cash flow then the approval has to be taken as per the 'Negative Cash Flow' approving matrix as mentioned above in point no.1.

5. Imprest Requisition

- Imprest Request must come 3 working days before the requirement.
- Must be the part of Cash Flow, item wise detail matching with PES
- Approval on Negative Cash Flow as per above-mentioned authorization Matrix.
- IOU (Settled / Due date of settlement & Amount Outstanding)
- Amount of Imprest should be minimum at month end.
- Imprest MUST be settled within 3 working days from the event.

- **Authorization Matrix for Imprest**

<u>Amount</u>	<u>Authorized By</u>
Up to 20,000/-	Branch Head / Client Servicing Head
From 20,001/- to 50,000/-	As above with Manager Account and Finance and above
Above 50,001/-	As above with CFO/Director/CEO

6. Expenses / Vendor Bills Submission & Payments

Do's & Don'ts

- All vendors and suppliers to be paid in 'chq'/demand draft.
- All vendors and specially 'artistes' to clearly informed about the TDS and or any other statutory deductions
- Cash payments can only be done for 'petty items' like local travel, food etc.
- All payments need to be supported by bills or vouchers as per the laid down reimbursement policies.
- In case of Deduction in our invoice by the client because of poor execution / poor quality of work of our vendors then the same must be deducted back from the Vendor's Bills.
- No purchase of Fixed Assets without prior sanction
- No gifts to Government Employees
- Proper supporting for temporary staff payment including advance monthly analysis
- **Following Procedures has to be followed for sending the PO Request:**
- Summary sheet will be signed by preparer & approver along with date.
- Attached all supporting in sequential order of Actual PES Variance Summary sheet.
- Attach all supporting in "**Original**" and must be signed by designated approved person. Adequate Details of the Transaction MUST be mentioned on the Bill e.g. Name & Designation, client name to be mentioned on Food Bill etc.
- All the bills must have "**Bill Recd. Stamp**" and **S. No.** of Purchase Bill Register
- Standard **Conveyance Form** MUST be used person wise & lead wise having details of destinations, distance in KMs, purpose of local travel etc.
- PO copy for relevant Vendors must be attached.
- Expenses MUST be submitted within **3 working days** from the Event Date.
- To submit **Vendor Feedback Form** for "New Vendor" and for rest on quarterly basis except for big events where it has to be submitted after completion of event.

NOTE: All Expenses, Imprest & Vendor Bills MUST be submitted together in ONE LOT along with an Approved Variance PES sheet with justification for variance.

- All the Pre-approved Vendor Bills will be submitted to the Accounts department within 3 working days from the Event date. The Accounts Department will revert with queries within 7 days of the receipt of the bill to the approving authority only. Basis the response & the final decision of the branch head / zone head and the Sr. Manager accounts the bill will be passed if the bill is within their approving authority amounts (benchmarked with their PO approving authorities). For amounts higher than the same - the bill will be referred to CFO - post his approval, the bill shall be passed.
- For all valid and approved bills all attempts shall be made to make the payment within the credit period extended by the vendor and documented in the PO - provided the corresponding payments have been received from the client.
- Vendor evaluation should be done on regular intervals
- Vendor's Feedback Form should also be filled, signed & submitted after all the major events / activities.

7. Invoicing & Closing

- Invoice request in Proper format.
- Must be done within 7 days of closure of the event so as to adhere to the Service Tax Rule.
- Must MATCH with client PO else attach client approval / PO for the additional billing.
- Must have all required SUPPORTINGS & DETAILS including photographs, inventory reports, challans, acknowledgements, element list duly signed by the client etc.
- Must MATCH with approved PNL or justification for Variances from actual P&L and PES. Approval will be required from CEO / CFO for all the major variances.
- All Vendors Bills MUST be sent within 10 days of making the Provision for Expenses else No Bill will be entertained after that.
- Client confirmation mail for execution of the event
- Billing request has to come from the Client Servicing Department while the Confirmation on the execution of activity / event by the respective department like Operations, Digital, Creative.
- Billing will be done by accounts and cross checked & signed by CSD. All the bills will be submitted by accounts only and a Client acknowledgement has to be obtained for submission of client invoices.
- Lead Closing should be done on weekly basis
- **Other Important Points:**
- Projects have to be closed in reference to the submitted P&L with supporting and all variances need to be explained.
- **'Proof of Work'** (including photographs etc.) needs to be submitted for all projects.
- The closure report needs to be signed by both the CS and the OPs person and should be duly approved by the branch head.
- **Provisions for Expenses** have to be done on the basis of PO issued to the Vendors.
- **Profitability validation** has to be done before closing the Leads.
- **Tracking of Client's Assets / Inventory:** All the client's Assets / Inventory has to be properly documented, reconciled at regular intervals and returned the same wherever required.

8. Collection

- Client confirmation mail for date of payment.
- Client Reconciliation / Acknowledgement of Debts from the client.
- Accounts will do the regular follow up for payment from client.
- Payment Advice must be provided with collection showing bill wise details & TDS
- TDS certificate must also be collected on regular basis / as & when required

9. Mobile Reimbursement

- Itemized bills will be submitted by the claimant. The approving authority will approve the bills post the deductions that they deem fit and as per the mobile reimbursement policy laid out. The approved bills will be submitted to accounts. The accounts department - if has any queries on the bill will raise them within 3 days of receipt of the bill (only) to the approving authority. Basis the response and the final decision of the branch head / zone head and the Sr. Manager accounts the bill will be passed.

10. Conveyance Reimbursements

- Conveyance claims will be submitted by the claimant in the prescribed format only. The approving authority will approve the claims post the deductions that they deem fit and as per the conveyance reimbursement policy laid out. The approved bills will be submitted to accounts. The accounts department - if has any queries on the claim will raise them within 3 days of receipt of the bill (only) to the approving authority. Basis the response and the final decision of the branch head / zone head and the Sr Manager accounts the claim will be passed and paid.

11. Matrix for Approving Authority:

- Mobile Reimbursements & Conveyance – BH / CSD / DH / Sr. Manager F&A as per the reporting matrix
- Vendor Bills – BH / Sr. Manager F&A (for Administrative Vendors only)
- Advance Payment & Negative Cash Flows – BH with a counter approval from Sr. Manager F&A as per the approval Matrix followed for PO.
- Imprest - For disputed amount only BH with a counter approval from Sr. Manager F&A, as per the approval Matrix followed for Imprest.

12.

Proposed Limits for Credit Worthiness

Client Name	Alert Limit for Over Dues	Credit Days Alert Limit	Client OD Limit for Direct Cost
Bausch & Lomb	1,000,000	60	500,000
Dell	1,50,00,000	75	50,00,000
EMC	1,000,000	45	500,000
Adobe	5,00,000	30	200,000
Nokia	10,000,000	40	1,500,000
Oracle	5,000,000	40	1,000,000
P&G	2,000,000	40	1,000,000
Volvo	2,000,000	30	500,000
Colgate	2,000,000	45	500,000
New Biz	1,000,000	40	500,000

13. Accruals of Revenues:

- Accruals of Revenues can be done on stage wise basis i.e. on the basis of the completion of work.
- No Accrual can be done for any future event as confirmed by the client either by email or PO on which no work has yet been started.
- All the required documents (like – PO from the client, proof of part completion / execution of the work etc.) have to be submitted to A&F dept. at the time of giving request for Accrual.

14. Guidelines on Processing Third Party Payments

1. Flow chart for third party payments.

- a) Instruction from client: - who introduces us to Vendor
 - b) Clear Agreement with Vendor with detail SOW
 - c) Signed confirmation by client
 - d) Then we issue the PO to the vendor *
 - e) Obtain a "Certificate from Client for Work Completion which was done on their behalf.
 - f) Receipt of bills with proper supporting.*
 - g) Payment can be made out of the Block Fund but not from the Blocked PO. (No Payment without receipt of payment from client.)
2. All payments should relate to the PO given by the client.
 3. Either an activity wise PO is given or a Blanket PO is given by the client on quarterly basis against which we can keep on adjusting / releasing the third party payments as directed by the client.
 4. They are like our own vendors and we have to follow the same procedure on documentations for giving them order & for the proof of work like –
 - a. Vendor PO
 - b. Vendor's Original Bill
 - c. Attested Copies of Registration Papers like TIN, PAN, Service Tax etc.
 - d. Duly filled & signed Vendor Registration Form
 - e. Original supporting as applicable like – Delivery Challans, Photographs or any other supporting for proof of work
 - f. Updated Signed Blocked Fund reconciliation statement / it have been billed to the client including our professional service charges.
 5. Prior approval of CFO for any payment to be made in Foreign Currency.
 6. In a Monthly Block Fund Confirmatory Email to the client put the following – "Please revert for any discrepancy within 7 days otherwise the attached statement will be assumed as correct."

Examples of Supporting: This is beside Original Vendor Bill & Challans & copy of our PO

<u>Type of Vendor</u>	<u>Supporting Required</u>
Travel / Transportation	List of persons travelled Duty Slip duly signed & having all the details – destination, no. of Kms., driver name, vehicle type & no., name of the passenger etc. Route Map matching with total distance travelled
Gift / Printing / AV / T- Shirt	List of Distribution with Name, Designation & contact number of the recipient, / Challan as proof of delivery with rejection , if any
Event / Hotels	Item wise check list duly signed by the client Photographs of the Events Challan for deliverables
Courier	Courier Slip & POD Details of items sent through courier
Professional Consultant	Details of Services taken Copy of signed report
Sponsorship	Copy of sponsorship letter Details of Event with Name of activity, date, venue etc. Photographs

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VENDOR FEEDBACK FORM

Vendor Name:

Vendor Code:

Vendor Type:

Major Activity Executed:

Locations:

Total Billing:

Feedback on his Execution & Performance:

1. _____

2. _____

3. _____

4. _____

Remarks / Recommendations:

(Client Servicing Head)

(Branch Head)

(Accounts)

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EXCEPTION APPROVAL FORM

Date:

Exceptions & Reasons:

1. _____
2. _____
3. _____
4. _____

Remarks:

(Client Servicing Head)

(Branch Head)

(Director)

Date wise Documentation Flow Chart

