

Type: Standard Operating Procedure No: AP-05-01 Title: AP Subledger Closing	Banpu Public Company Limited Finance	Page 1 / 5
---	---	------------

Introduction:

Finance department has responsibilities to govern to create standardized processes, clear roles, and responsibilities related to the management of financial activities within the organization.

This work procedure document is designed and targeted for officers within and outside Finance department (or its equivalent in subsidiary entities) to be guiding procedures for the specified financial and accounting processes in the Objective section.

Adherence to the activities and steps are crucial and mandatory to all targeted stakeholders to ensure consistent and transparent financial practice, clear accountabilities, regulatory compliance, and alignment with the company's financial policies used in conjunction with this work procedure.

Objective:

To establish the guideline procedures for 'AP Subledger Closing process', ensuring that AP, and other related payable accounts are accurately and completely accounted for in each month-end financial reporting.

Scope:

This work procedure shall be adopted by Banpu Public Company Limited and subsidiaries, whose Finance and Accounting operations are handled by Finance department in Thailand, and shall be effective until announced otherwise.

Definitions:

Key terminology used in this procedure includes the following:

- Control Account
- AP Aging
- Prepayment

For definitions of each terminology, refer to the Appendix 1: Definitions [File Name: SOP Appendix 1 Definitions].

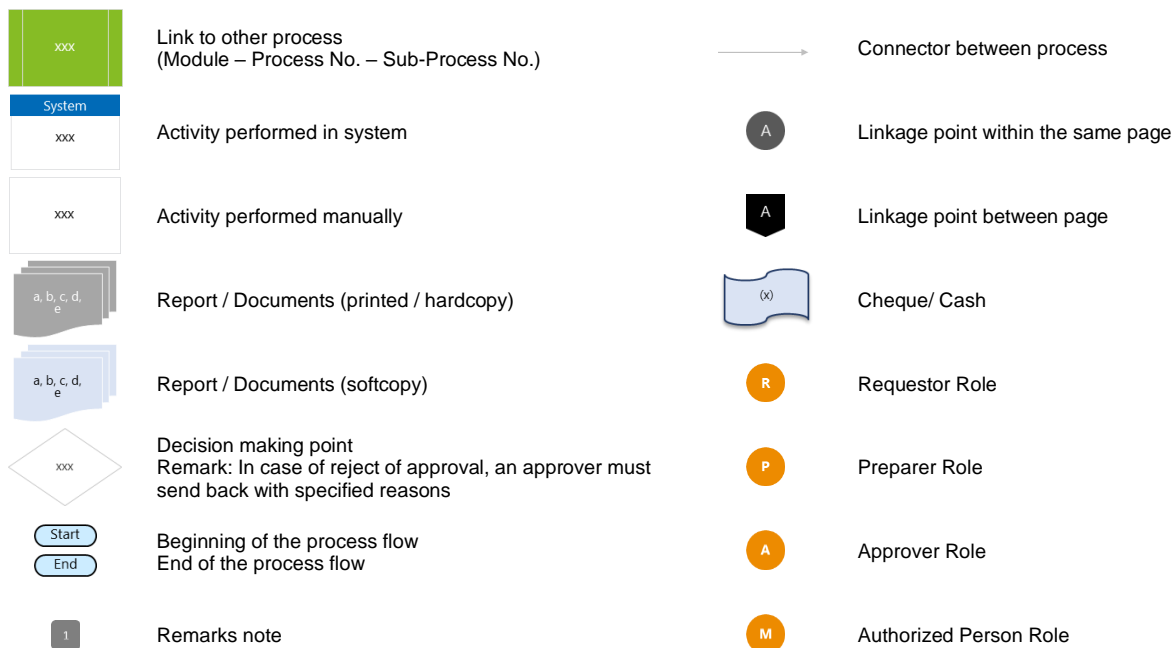
References:

N/A

Type: Standard Operating Procedure	Banpu Public Company Limited	Page 2 / 5
No: AP-05-01	Revision: 00	
Title: AP Subledger Closing	Finance	

Flowchart:

Process Flowchart Legends



Abbreviations and Definitions

Abbreviation	Definition
AP	Accounts Payable
AR	Accounts Receivable
FA	Fixed Asset Accounting
GL	General Ledger
I&C	Inventory & Costing
TR	Treasury Operations
MA	Managerial Reporting and Budgeting
D&I	Digital and Innovation
MS&L	Marketing, Sales & Logistics

Abbreviation	Definition
ERP	Enterprise Resource Planning system
ECM	Enterprise Content Management system
ACCP	Accounting Portal system
VAT	Value Added Tax
WHT	Withholding Tax
SBT	Specific Business Tax
CIT	Corporate Income Tax

Type: Standard Operating Procedure	Banpu Public Company Limited	Page 3 / 5
No: AP-05-01 Revision: 00	Finance	
Title: AP Subledger Closing		

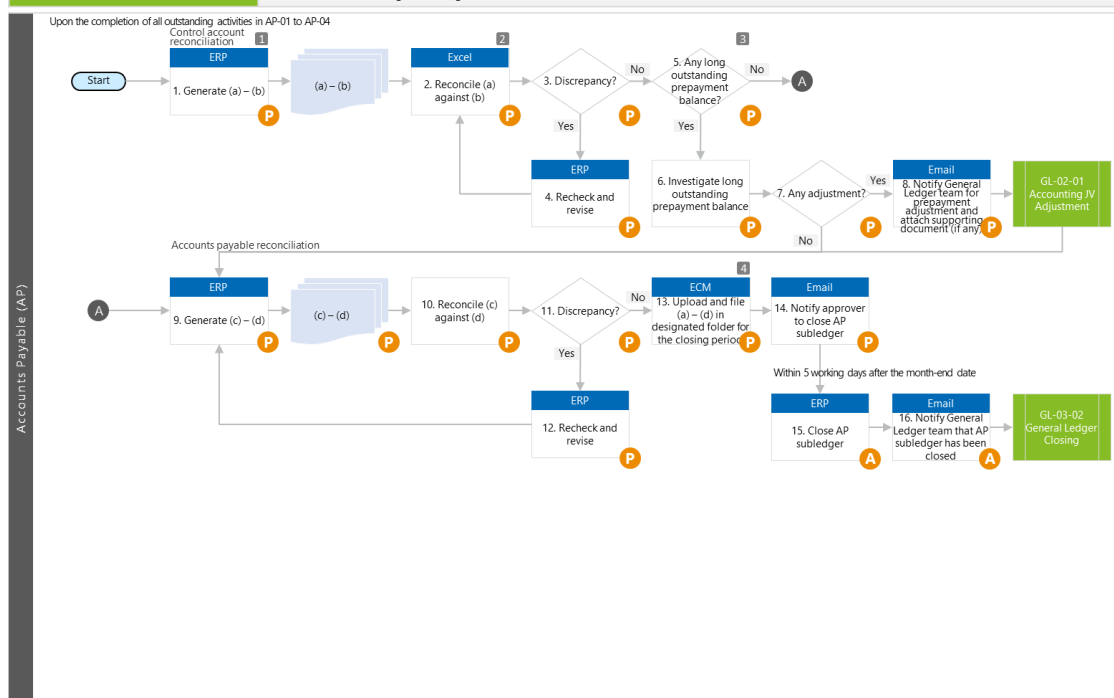
Process Group	Accounts Payable
Main Process	AP-05 Period End Closing
Sub Process	AP-05-01 AP Sub-ledger Closing

Relevant Document(s)
a) Control Accounts – by Supplier Report
b) General Ledger – Control Accounts Report
c) AP Aging Report
d) General Ledger – Accounts Payable Report

Remark(s)

- 1 Control accounts reconciliation includes at least prepayment, suspense and tax accounts
- 2 AP team reviews at least the following:
 - Prepayment accounts
 - Outstanding prepayment balance from GL
 - Trial Balance
 - Outstanding prepayment balance and movement by supplier
 - Suspense accounts
 - Outstanding suspense account balance in both the AP sub-module and GL should be cleared to zero by month-end

Any incomplete data should be investigated and revised at the sub-ledger by AP team
- 3 Normally, the prepayment balance should be cleared within a year end as it will affect with the budget of each year.
- 4 Place the supporting detail file for AP to designated folder for General Ledger team to verify and support when prepare Financial statements



Type: Standard Operating Procedure	Banpu Public Company Limited	
No: AP-05-01	Revision: 00	Page 4 / 5
Title: AP Subledger Closing	Finance	

Detail of Procedure: AP-05-01

In the case of control accounts reconciliation (from step #1 - #8)

1. At month-end closing, AP preparer retrieves Control Accounts Reports, i.e. Control Accounts – by Supplier Report and General Ledger – Control Accounts Report, from AP submodule and GL module in ERP, to view details of control accounts by supplier in AP submodule and total book balance in GL from for control accounts reconciliation. Examples of control accounts to perform reconciliation include:
 - Prepayment accounts.
 - Suspense accounts.
2. AP preparer reconciles the two reports, i.e. Control Accounts – by Supplier Report and General Ledger – Control Accounts Report, and reviews at least the following:
 - Prepayment accounts
 - Reconcile from these two reports:
 - Outstanding prepayment balance from General Ledger – Control Account Report
 - Outstanding prepayment balance and movement by supplier from Control Accounts – by Supplier Report

To ensure that prepayment is completely and correctly applied to invoice and ensure that the outstanding balance in subledger can be reconciled to outstanding amount in GL.
 - Suspense accounts
 - Reconcile outstanding suspense account balance in both the AP sub-module and GL should be cleared to zero by month-end.
3. AP preparer reviews the result from step #2 to determine whether there are discrepancies:
 - a. If there are discrepancies, proceed to step #4.
 - b. If there are no discrepancies, proceed to step #5.
4. AP preparer rechecks and revises the control accounts discrepancy in ERP.
5. AP preparer checks whether there is any long outstanding prepayment balance.
 - a. If long outstanding prepayment balance exists, proceed to step #6.
 - b. If long outstanding prepayment balance does not exist, proceed to step #9.

Note: Normally, the prepayment balance should be cleared within a year end as it will affect with the budget of each year.
6. AP preparer investigates the long outstanding prepayment balance.
7. AP preparer reviews the result from step #6 to determine whether to record adjustments:
 - a. If need to record adjustments, proceed to step #8.
 - b. If no need to record adjustments, proceed to step #9.
8. AP preparer notifies GL team via email for prepayment adjustment and attaches supporting documents (if any). Then proceed to the work procedure of GL-02-01 Accounting JV Adjustment and proceed to step #9.

In the case of accounts payable reconciliation (from step #9 - #12)

9. AP preparer generates AP Aging Report and General Ledger – Accounts Payable Report from AP submodule and GL module in ERP for AP reconciliation.
10. AP preparer reconciles the two reports, i.e. AP Aging Report and General Ledger – Accounts Payable Report and review at least the following:
 - Transaction Register Report to ensure that all AP transactions are posted into GL.
 - AP balance in the AP Aging Report to confirm alignment and consistency with the balance in the General Ledger – Accounts Payable Report.

Type: Standard Operating Procedure	Banpu Public Company Limited	
No: AP-05-01	Revision: 00	Page 5 / 5
Title: AP Subledger Closing	Finance	

11. AP preparer reviews the result from step #10 to determine whether there are discrepancies:
 - a. If there are discrepancies, proceed to step #12.
 - b. If there are no discrepancies, proceed to step #13.
12. AP preparer rechecks and revises the AP discrepancy in ERP. Any incomplete or discrepancy data should be investigated and revised in the subledger by AP preparer.
13. AP preparer uploads the documents as follows in the arranged folder for the closing period in ECM for GL team to verify and support when prepare financial statements:
 - Control Accounts – by Supplier Report
 - General Ledger – Control Accounts Report
 - AP Aging Report
 - General Ledger – Accounts Payable Report
14. AP preparer notifies the approver to close AP subledger via email.
15. Within 5 working days after the month-end date, AP supervisor as an approver performs the AP subledger closing in ERP.
16. AP supervisor as an approver notifies GL team via email that the AP subledger has been closed. Then proceed to the work procedure of GL-03-02 General Ledger Closing.