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### **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 'Employee Advance Clearing process', ensuring that AP transactions from employee advance clearing are processed accurately and in a timely manner into the Enterprise Resource Planning (ERP) system to facilitate timely payment processing, Value Added Tax (VAT) and Withholding Tax (WHT) submission, as well as the record of miscellaneous receipt from the remaining employee advance.

### **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:

- Employee Advance
- Miscellaneous Receipt

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

### **References:**

For employee advance clearing recording and approval:

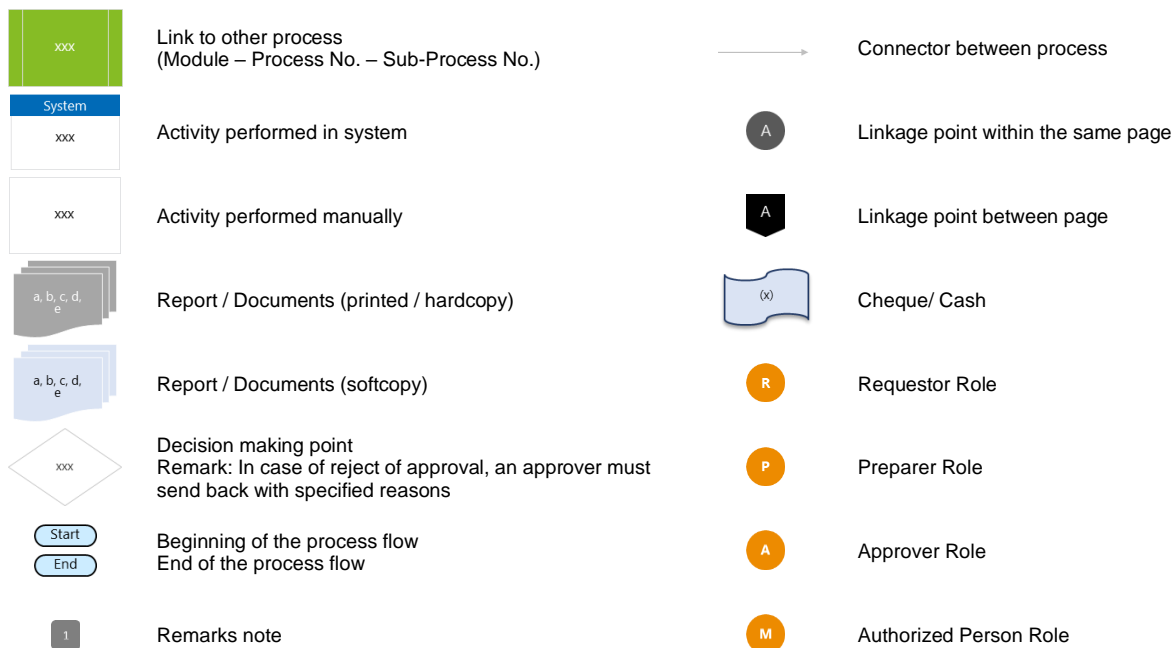
- HR Policy:
  - Welfare and Benefits Policy
  - Regulation for Traveling to Work Domestically and Overseas
- DOA

For DOA, refer to the Appendix 2 : References [File Name: SOP Appendix 2 References].

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## 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
APV	Accounts Payable Voucher

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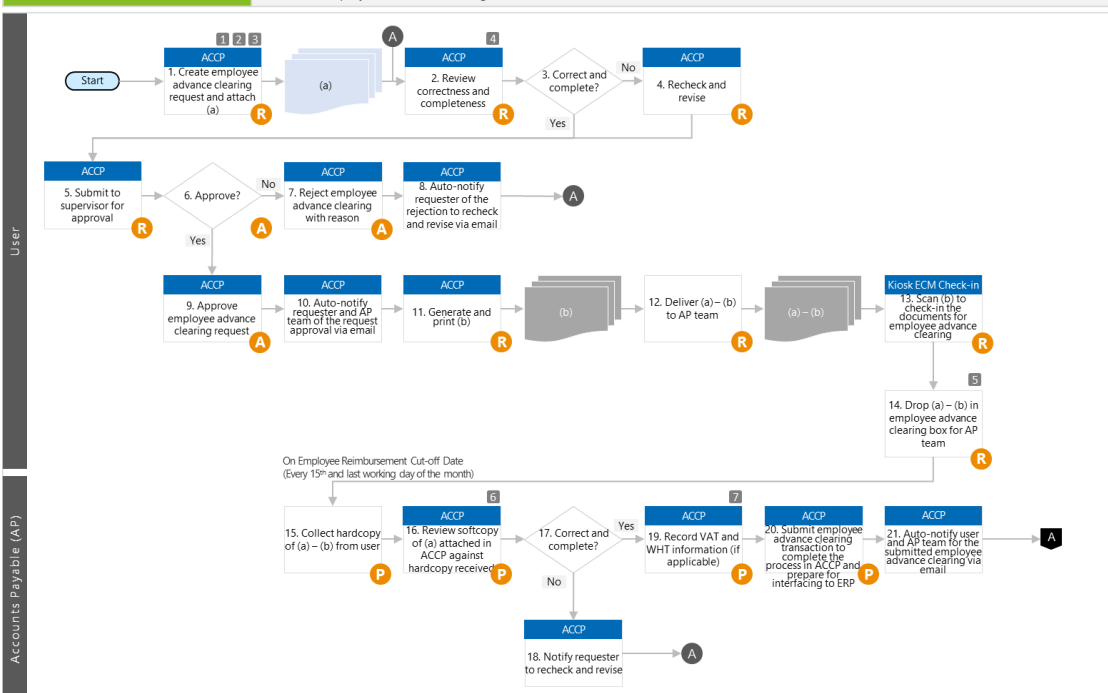
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Process Group	Accounts Payable
Main Process	AP-03 Employee Related Expenses
Sub Process	AP-03-02 Employee Advance Clearing (1/3)



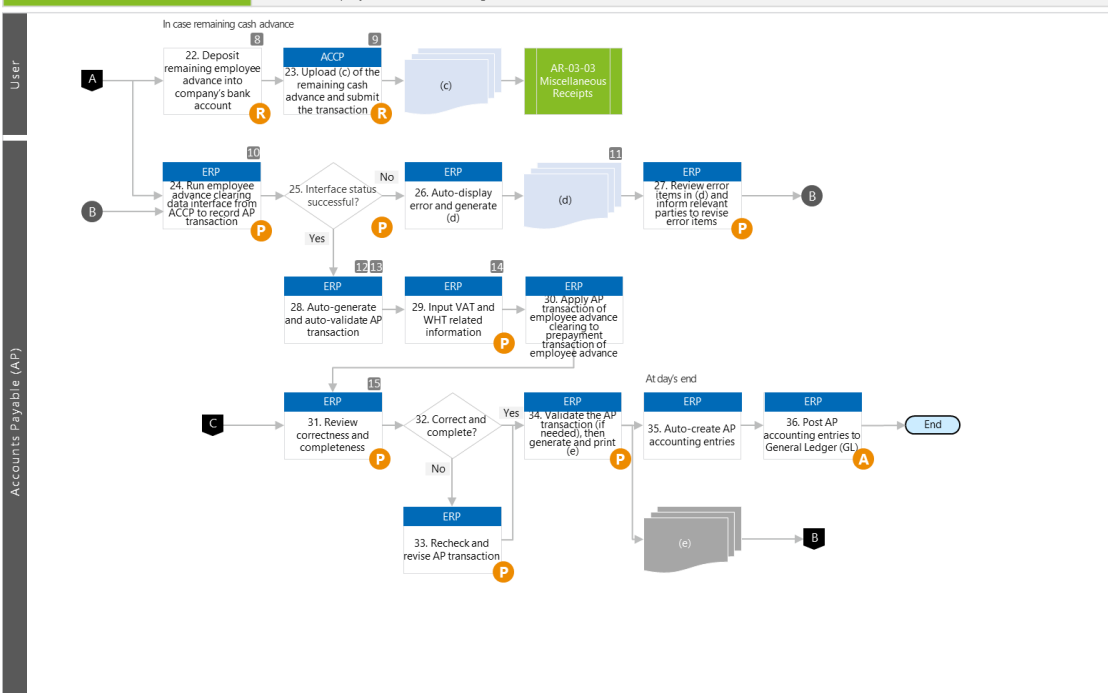
#### Relevant Document(s)

- Employee Advance Clearing Supporting Documents, for example:
  - Receipt/ Tax Invoice
  - Boarding Pass or Electronics Ticket
  - Withholding Tax Certificate (in case of issuing the Withholding Tax (WHT) Certificate in advance)
- ACC/P Form for Employee Advance Clearing with QR Code (For ECM reference to upload supporting documents)
- Pay-in/ Transfer Evidence
- Exception Report
- AP Voucher (APV) with QR Code (For ECM reference to upload supporting documents)
- WHT certificate
- AP Voucher Listing Report includes information at least:
  - Due Date
  - Pay Group
- Receipt or Copy of Receipt/ Tax invoice (including e-Receipt)

#### Remark(s)

- User records the expenses for employee advance clearing, then ACC/P system will automatically calculate the remaining employee advance amount for user to deposit to the company's bank account.
- Employee advance clearing request contains at least the following:
  - Employee name and ID
  - Employee advance clearing amount
  - Transaction description
  - Transaction amount
- In case of employee advance for travelling expense, a requester needs to input the "TA Number" for reference.
- User reviews at least the following:
  - Total amount of the advance clearing matches with the total amount in the Receipt or Receipt/ Tax Invoice.
  - Withholding Tax certificate has been attached in the system matches with Withholding Tax Certificate (in case of issuing the Withholding Tax (WHT) Certificate in advance).
  - The list of supporting documents is provided according to the company's policy.
- User submits the supporting documents for review and approval via either hardcopy or email, according to the country's regulation.
- AP team reviews at least the following:
  - Receipt/ Tax Invoice number, details and amount between softcopy and hardcopy.
  - Accounting record for employee advance clearing, especially expense accounts.
  - Withholding tax certificate number between softcopy, hardcopy and the excel of WHT control sheet (in case of issuing the Withholding Tax (WHT) Certificate in advance).
- AP team records the WHT information at least as follows:
  - WHT code
  - WHT amount

Process Group	Accounts Payable
Main Process	AP-03 Employee Related Expenses
Sub Process	AP-03-02 Employee Advance Clearing (2/3)



#### Relevant Document(s)

- Employee Advance Clearing Supporting Documents, for example:
  - Receipt/ Tax Invoice
  - Boarding Pass or Electronics Ticket
  - Withholding Tax Certificate (in case of issuing the Withholding Tax (WHT) Certificate in advance)
- ACC/P Form for Employee Advance Clearing with QR Code (For ECM reference to upload supporting documents)
- Pay-in/ Transfer Evidence
- Exception Report
- AP Voucher (APV) with QR Code (For ECM reference to upload supporting documents)
- WHT certificate
- AP Voucher Listing Report includes information at least:
  - Due Date
  - Pay Group
- Receipt or Copy of Receipt/ Tax invoice (including e-Receipt)

#### Remark(s)

- Employee deposits the remaining employee advance into the specified bank account.
- ACC/P automatically notifies Treasury Operations team when there is a cash receipt from remaining advance payment.
- Example of Information are interfaced at least the following:
  - Transaction description and amount
  - VAT code and amount
  - WHT code and amount
  - Due date for payment per the conditions set
- Example of error item is an inactive supplier.
- WHT information inputted in ACC/P must be interfaced to ERP to automatically record WHT transaction.
- In case a withholding tax certificate is required, AP team needs to run the Withholding Tax (WHT) data transfer to Thai Localization.
- The information of Tax and Withholding Tax that needs to be inputted and reviewed in Thai Localization include:
  - Tax invoice number
  - Withholding tax certificate number (if any) (in case of issuing the Withholding Tax (WHT) Certificate in advance, referring to the excel of WHT control sheet)
  - Supplier name
  - VAT and WHT amount with correct decimal numbers
- AP team reviews at least the following:
  - Expense item and amount
  - VAT/ WHT amount per invoice/ tax invoice received

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Process Group	Accounts Payable
Main Process	AP-03 Employee Related Expenses
Sub Process	AP-03-02 Employee Advance Clearing (3/3)

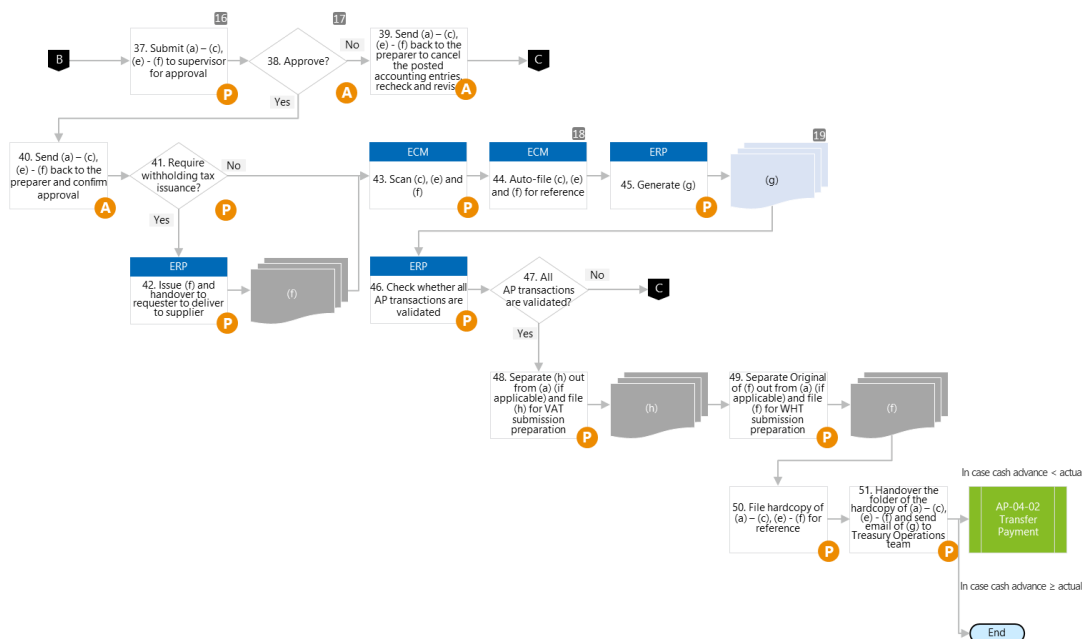
#### Relevant Document(s)

- Employee Advance Clearing Supporting Documents, for example:
  - Receipt/ Tax Invoice
  - Boarding Pass or Electronics Ticket
  - Withholding Tax Certificate (in case of issuing the Withholding Tax (WHT) Certificate in advance)
- ACCP Form for Employee Advance Clearing with QR Code (For ECM reference to upload supporting documents)
- Pay-in/ Transfer Evidence
- Exception Report
- AP Voucher (APV) with QR Code (For ECM reference to upload supporting documents)
- WHT certificate
- AP Voucher Listing Report includes information at least:
  - Due Date
  - Pay Group
- Receipt or Copy of Receipt/ Tax invoice (including e-Receipt)

#### Remark(s)

- AP preparer submits the documents for review and approval via either hardcopy or email
- AP Supervisor reviews employee advance clearing at least the following:
  - Employee name
  - Amount
  - Description/ Purpose
- ECM will create a folder based on APV and upload the supporting documents in designated folder
- AP voucher listing report shows AP vouchers by pay group and due date.

Accounts Payable (AP)



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### ***Detail of Procedure: AP-03-02***

1. User as a requester creates employee advance clearing request with attachment of Employee Advance Clearing Supporting Documents in ACCP.  
The employee advance clearing request contains at least the following:
  - Employee name and ID
  - Employee advance clearing amount
  - Transaction description
  - Transaction amount
 Example of Employee Advance Clearing Supporting Documents include:
  - Receipt/ Tax Invoice
  - Boarding Pass/ Electronics Ticket
  - WHT Certificate (in case of issuing the WHT Certificate in advance)Note:
  - User records the expenses for employee advance clearing, then ACCP will automatically calculate the remaining employee advance amount for user to deposit to the company's bank account (if any).
  - In case of employee advance for travelling expense, a requester needs to input the "TA Number" for reference.
2. User as a requester reviews the correctness and completeness of employee advance clearing request in ACCP by reviewing the following:
  - Total amount of the advance clearing matches with the total amount in the Receipt or Receipt/ Tax Invoice.
  - WHT certificate has been attached in the system matches with WHT Certificate (in case of issuing the WHT Certificate in advance).
  - The list of supporting documents is provided according to the company's policy.
3. User as a requester reviews the result from step #2 to determine whether the employee advance clearing request is correct and complete:
  - a. If correct and complete, proceed to step #5.
  - b. If incorrect and/or incomplete, proceed to step #4.
4. User as a requester rechecks and revises the employee advance clearing request in ACCP.
5. User as a requester submits the employee advance clearing request to supervisor for approval in ACCP.
6. User as an approver reviews the submitted request in ACCP against the attached documents from step #1:
  - a. If approved, proceed to step #9.
  - b. If not approved, proceed to step #7.
7. User as an approver rejects the employee advance clearing request with reason in ACCP.
8. ACCP automatically notifies the requester for employee advance clearing request rejection to recheck and revise via email. Then proceed back to step #2.
9. User as an approver approves employee advance clearing request.
10. ACCP automatically notifies the requester and AP preparer of employee advance clearing request approval via email.
11. User as a requester generates and prints ACCP Form for Employee Advance Clearing from ACCP.
12. User as a requester delivers the Employee Advance Clearing Supporting Documents and ACCP Form for Employee Advance Clearing to AP team at the 'self-submit' area.

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13. User as a requester submits and checks in ACCP Form for Employee Advance Clearing and Employee Advance Clearing supporting documents to AP team by scanning the QR code on the ACCP Form using the Kiosk ECM check-in system.
  14. User as a requester drops the ACCP Form for Employee Advance Clearing and Employee Advance Clearing Supporting Documents in the designated Employee Advance Clearing box.  
Note: User can submit the supporting documents for review and approval via either hardcopy or email, according to the country's regulation.
  15. On the employee advance clearing cut-off dates, which occur on the 15<sup>th</sup> and the last working day of each month, AP preparer collects the Employee Advance Clearing supporting documents from the designated area to prepare for recording Employee Advance Clearing transactions.
  16. AP preparer reviews the information of softcopy documents in ACCP against the information in hardcopy documents collected from step #15. AP team reviews at least the following:
    - Receipt/ Tax Invoice number, details and amount between softcopy and hardcopy.
    - Accounting record for employee advance clearing, especially expense accounts.
    - WHT certificate number between softcopy, hardcopy and the excel of WHT control sheet (in case of issuing the WHT Certificate in advance).Note: 'The excel of WHT control sheet' includes information of employee, supplier, certificate number, amount.
  17. AP preparer reviews result the from step #16 to determine whether the Employee Advance Clearing Supporting Documents are correct and complete:
    - a. If correct and complete, proceed to step #19.
    - b. If incorrect and/or incomplete, proceed to step #18.
  18. AP preparer notifies the requester to recheck and revise the request. Then proceed back to step #2.
  19. AP preparer records and reviews VAT and WHT (if applicable). AP team records the WHT information at least as follows:
    - WHT code
    - WHT amount
  20. AP preparer submits the employee advance clearing request transaction to complete the process in ACCP and to prepare data for interfacing to ERP.
  21. ACCP automatically notifies user and AP team for the submitted employee advance clearing via email.
    - User as a requester can proceed to step #22 - #23, in case of remaining cash advance.
    - AP team can proceed to step #24 to interface AP transactions of employee advance clearing into ERP.
- In case of remaining cash advance (from step #22 - #23)*
22. After receiving email notification, in case of remaining cash advance, user as a requester deposits remaining employee advance into the bank account specified by company.
  23. User as a requester uploads Pay-in/ Transfer Evidence to ACCP and submits the transaction. Then ACCP will automatically notifies TR team via email to proceed to the work procedure of AR-03-03 Miscellaneous Receipts.
  24. AP preparer runs to interface the prepared transactions from ACCP into Enterprise Resource Planning (ERP) system. Example of Information should be interfaced at least the following:
    - Transaction description and amount
    - VAT code and amount
    - WHT code and amount
    - Due date for payment per the conditions set

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25. AP preparer reviews the interface result to determine whether the interface status is successful:
  - a. If the interface status is successful, proceed to step #28.
  - b. If the interface status is unsuccessful, proceed to step #26.
26. ERP automatically displays errors and generates Exception Report. Example of error item is an inactive supplier.
27. AP preparer reviews the error items in Exception Report and informs relevant parties to revise error items displayed. Then proceed back to step #24.
28. ERP automatically generates and validates the AP transactions of employee advance clearing.
 

Note:

  - WHT information inputted in ACCP must be interfaced to ERP to automatically record WHT transaction.
  - In case a WHT certificate is required, AP team needs to run the WHT data transfer to Thai Localization.
29. AP preparer inputs and reviews VAT and WHT related information in Thai Localization in ERP including:
  - Tax invoice number
  - WHT certificate number (if any) (in case of issuing the WHT Certificate in advance, referring to 'the excel of WHT control sheet')

Note: 'The excel of WHT control sheet' includes information of employee, supplier, certificate number, amount.

  - Supplier name (to replace the employee name)
  - VAT and WHT amount with correct decimal numbers
30. AP preparer applies the AP transaction of employee advance clearing to the prepayment transaction of employee advance.
31. AP preparer reviews the correctness and completeness of AP transactions of employee advance clearing before submitting to supervisor for approval. AP team reviews at least the following:
  - Expense item and amount
  - VAT/ WHT amount per invoice/ tax invoice received
32. AP preparer reviews the result from step #31 to determine whether the AP transactions are correct and complete:
  - a. If correct and complete, proceed to step #34.
  - b. If incorrect and/or incomplete, proceed to step #33.
33. AP preparer rechecks and revises AP transactions.
34. AP preparer validates the AP transaction (if needed), then generates and prints APV. Then proceed to step #35 and #37.
35. At day's end, ERP automatically creates accounting entries for AP transactions per schedule.
36. AP supervisor as an approver, manually posts the AP accounting entries to GL. Then end of the employee advance clearing process.
37. AP preparer submits the following documents to supervisor for approval:
  - Employee Advance Clearing Supporting Documents
  - ACCP Form for Employee Advance Clearing
  - Pay-in/ Transfer Evidence
  - APV
  - WHT certificate

Note: AP preparer can submit the documents for review and approval via either hardcopy or email.



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38. AP approver reviews the submitted documents to confirm the validation of AP transactions. AP supervisor reviews employee advance clearing with Receipt or Receipt/ Tax Invoice at least the following:
  - Employee name
  - Amount
  - Description/ Purpose
  - a. If approved, proceed to step #40.
  - b. If not approved, proceed to step #39.
39. AP approver sends the documents received from step #37 back to the preparer to cancel the posted accounting entries, and to recheck and revise the AP transaction. Then proceed back to step #31.
40. AP approver sends the documents received from step #37 back to the preparer and confirms the approval.
41. AP preparer considers if the WHT certificate requires to be issued:
  - a. If required WHT certificate issuance, proceed to step #42.
  - b. If not required WHT certificate issuance, proceed to step #43.
42. AP preparer issue WHT certificate and handover to the requestor to deliver to supplier.  
Note: AP preparer can send the WHT certificate to requester via either hardcopy or email.
43. AP preparer scans the documents related to employee advance clearing via ECM. The documents related to employee advance clearing include:
  - Pay-in/ Transfer Evidence
  - APV
  - WHT certificate
44. ECM automatically files the scanned documents from step #43 for reference in designated folder.
45. AP preparer generates APV Listing.  
Note: APV listing report shows APVs by pay group and due date.
46. AP preparer checks whether all AP transactions are validated in ERP.
47. AP preparer reviews the result from step #46 to determine whether all AP transactions are validated in ERP by the due date that will be submitted for payment:
  - a. If all AP transactions are validated, proceed to step #48.
  - b. If some AP transactions are invalidated, proceed back to step #31.
48. AP preparer separates hardcopy of Original Invoice/ Tax Invoice and Receipt/ Tax Invoice (including e-Tax Invoice) (if applicable) from the Employee Advance Clearing Supporting Documents, and files them in the tax invoice folder for VAT submission preparation.
49. AP preparer separates hardcopy of WHT Certificate (if applicable) from the Employee Advance Clearing Supporting Documents, and files them in the WHT folder for WHT submission preparation.
50. AP preparer files hardcopy of the following documents in the folder for reference:
  - Employee Advance Clearing Supporting Documents
  - ACCP Form for Employee Advance Clearing
  - Pay-in/ Transfer Evidence
  - APV
  - WHT certificate



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51. AP preparer handovers the folder of hardcopy of the documents list in step #50, and sends email of APV Listing Report to TR team.

- In case of the employee cash advance less than the actual payment, proceed to the work procedure of AP-04-02 Transfer Payment.
- In case of the employee cash advance over than or equal to the actual payment, then end of the employee advance clearing process.