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Title: Accounts Payable with PO Recording	Finance	

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 'Accounts Payable with PO Recording process', ensuring that AP transactions are processed accurately and in a timely manner from Bill Placement system into the Enterprise Resource Planning (ERP) system to facilitate timely payment processing.

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:

- 2-Way PO
- 3-Way PO
- Bill Placement
- Supervisor
- Create Accounting Entry
- Post Accounting Entry

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

References:

For the accounts payable with PO recording and approval:

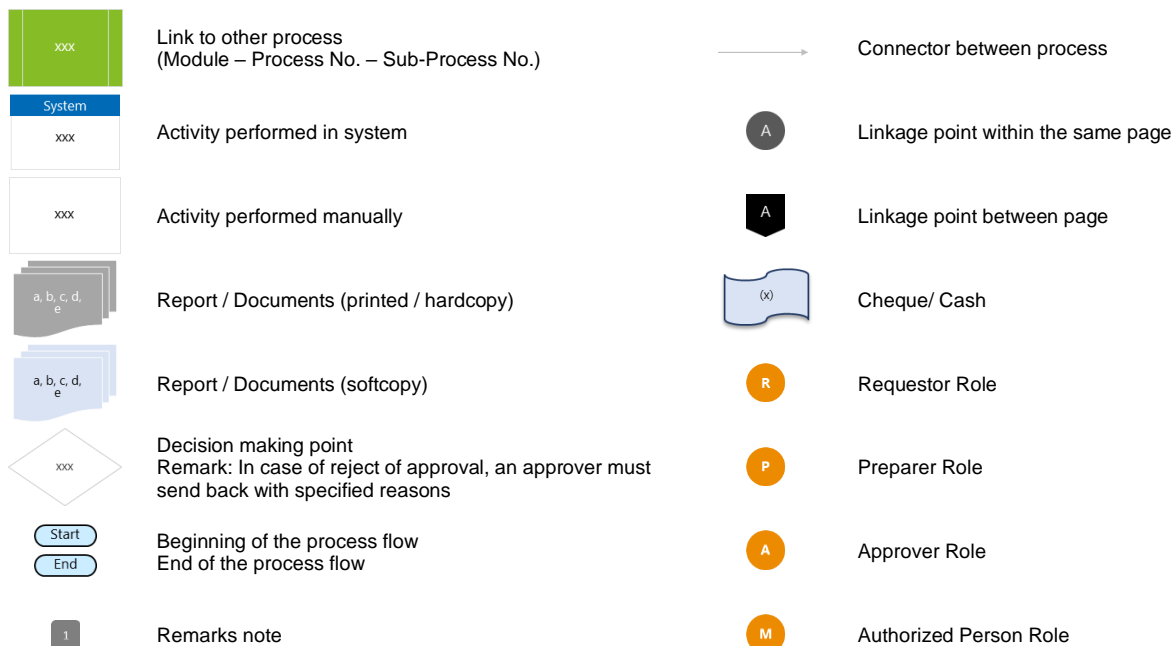
- Procurement Policy 2023 No. BP-CPAM-PO-002
- Procurement Standard Practice Manual No. BP-CPAM-SPM-003
- DOA
- Meeting Note of Purchasing Committee For standard computer equipment for employee and resolution relating to computer accessories requirements 2020

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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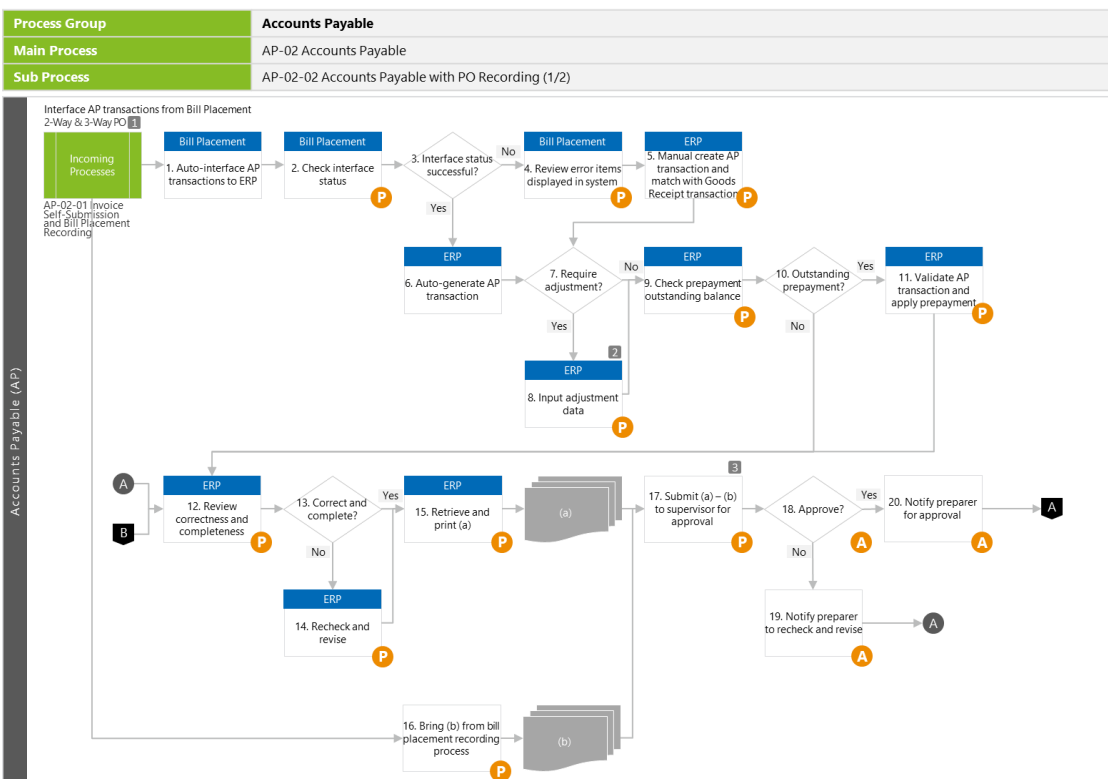
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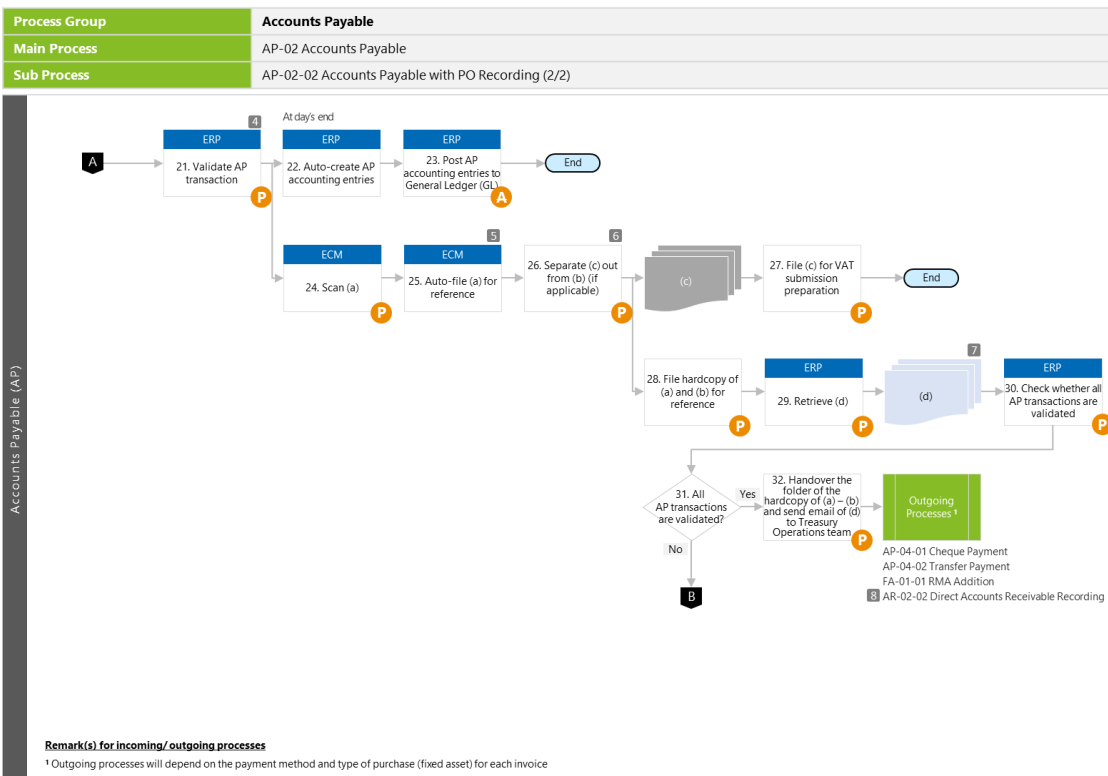


Relevant Document(s)

- Account Payable Voucher (APV) with QR Code (For ECM reference to upload supporting documents)
- Bill placement supporting documents, for example:
 - Billing note
 - Goods receipt note with QR code (in case of 3-way PO) (For ECM reference to upload supporting documents)
 - Purchase order
 - Invoice or Invoice/ Tax invoice (including e-Tax invoice)
 - Receipt or Receipt/ Tax invoice (including e-Receipt)

Remark(s)

- 3-way matching is the process of verifying that the quantity and amount on an invoice or tax invoice match the corresponding purchase order and delivery order or fall within pre-defined tolerances. In contrast, 2-way matching only matches the invoice or tax invoice to the purchase order.
- Example of adjustment data:
 - Retention
 - Prepaid expense for amortization
- AP preparer can submit AP V for review and approval via either hardcopy or email



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 - Purchase order
 - Invoice or Invoice/ Tax invoice (including e-Tax invoice)
 - Receipt or Receipt/ Tax invoice (including e-Receipt)
- Invoice/ Tax Invoice or Receipt/ Tax Invoice (including e-Tax Invoice)
- APV Listing Report includes information at least:
 - Due Date
 - Pay Group

Remark(s)

- In case a withholding tax certificate is required, AP team runs the Withholding Tax (WHT) data transfer to Thai Localization.
- ECM will create a folder based on APV and upload the supporting documents in designated folder
- In case the supplier cannot provide receipt/ tax invoice at the point of bill-placement, a small slip note will be provided as a reminder to follow up the document 5 days after payment date.
- APV listing report shows APV by pay group and due date.
- In case of intercompany reimbursement, AP team should send email to AR team for sales invoice recording confirmation.

Remark(s) for incoming/outgoing processes

* Outgoing processes will depend on the payment method and type of purchase (fixed asset) for each invoice

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Detail of Procedure: AP-02-02

1. Upon submitting the bill placement in Bill Placement system, referring the work procedure of AP-02-01 Invoice Self-Submission and Bill Placement Recording process, Bill Placement system automatically interfaces the AP transaction to ERP.
2. AP preparer checks interface status in Bill Placement system.
3. AP preparer reviews the result from step #2 to determine whether the interface status is successful:
 - a. If the interface status is successful, proceed to step #6.
 - b. If the interface status is unsuccessful, proceed to step #4.
4. AP preparer reviews error items displayed in Bill Placement system.
5. AP preparer creates the AP transaction in ERP, referring to the Bill Placement Supporting Documents. The system automatically retrieves information from related Goods Receipt transaction and matches it with the AP transaction. Then proceed back to step #7.
6. In the case that the interface status is successful, ERP automatically generates AP transactions from the submitted bill placement transactions.
7. AP preparer checks whether the AP transaction requires adjustment:
 - a. If required, proceed to step #8.
 - b. If not required, proceed to step #9.
8. AP preparer records adjustment data to the AP transaction, e.g. retention and prepaid expense for amortization, in ERP.
9. AP preparer checks the outstanding prepayment balance in ERP.
10. AP preparer considers whether the outstanding prepayment balance exists:
 - a. If outstanding prepayment existed, proceed to step #11.
 - b. If outstanding prepayment not existed, proceed to step #12.
11. AP preparer validates the AP transaction, then applies the AP to the outstanding prepayment in ERP.
12. AP preparer reviews the correctness and completeness of AP transactions before submitting to supervisor for approval.
Note: User can submit the supporting documents for review and approval via either hardcopy or email.
13. AP preparer reviews the result from step #12 to determine whether the AP transactions are correct and complete:
 - a. If correct and complete, proceed to step #15.
 - b. If incorrect and/or incomplete, proceed to step #14.
14. AP preparer rechecks and revises AP transactions.
Note:
 - In some cases, AP preparer needs to cancel AP transactions, go back to revise the goods receipt, and then recreate and resubmit the bill placement to recreate AP transactions. The example cases include:
 - Incorrect types of goods or services
 - Incorrect asset categories
 - Incorrect sub accounts
 - In some cases, AP preparer can revise the information directly in ERP. The example cases include:
 - Difference in decimal for VAT and WHT calculations
 - Change in description, pay group or due date
 - Incorrect adjustment or prepayment

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15. AP preparer retrieves and print APV.
16. AP preparer brings Bill Placement Supporting Documents from the work procedure of AP-02-01 Invoice Self-Submission and Bill Placement Recording.
17. AP preparer submits the documents from step #15 - #16 to supervisor for approval. The submitted documents include:
 - APV
 - Bill Placement Supporting Documents.Note: AP preparer can submit APV for review and approval via either hardcopy or email.
18. AP approver reviews the submitted documents to confirm the validation of AP transactions:
 - a. If approved, proceed to step #20.
 - b. If not approved, proceed to step #19.
19. AP approver notifies the preparer to recheck and revise the AP transaction. Then proceed back to step #12.
20. AP approver notifies the preparer for approval.
21. AP preparer validates AP transactions in Enterprise Resource Planning (ERP). Then proceed to step #22 and #24.
 Note: In case a WHT certificate is required, AP team runs the WHT data transfer to Thai Localization.
22. At day's end, ERP automatically creates accounting entries for AP transaction per schedule.
23. AP supervisor as an approver, manually posts the AP accounting entries to GL. Then end of the process.
24. AP preparer scans the APV via ECM.
25. ECM automatically files the scanned document from step #24 for reference in arranged folder.
26. AP preparer separates hardcopy of Original Invoice/ Tax Invoice and Receipt/ Tax Invoice (including e-Tax Invoice) (if applicable) from Bill Placement Supporting Documents. Then proceed to step #27 and #28.
 Note: In case the supplier cannot provide Receipt/ Tax invoice at the point of bill placement, a small slip note will be provided as a reminder to follow up the document 5 days after payment date.
27. AP preparer files the original tax invoices separated from step #26 in the tax invoice folder for VAT submission preparation. Then end of the process.
28. AP preparer files hardcopy of Bill Placement Supporting Documents and APV in the folder for reference.
29. AP preparer retrieves APV Listing Report.
 Note: APV listing report shows APV by pay group and due date.
30. AP preparer checks whether all AP transactions are validated on the report.
31. AP preparer reviews the result from step #30 to determine whether all AP transactions are validated:
 - a. If all AP transactions are validated, proceed to step #32.
 - b. If some AP transactions are invalidated, proceed back to step #12.
32. AP preparer handovers the folder of hardcopy of Bill Placement Supporting Documents and APV, and sends email of APV Listing Report to TR team to proceed to the work procedure of AP-04-01 Cheque Payment and AP-04-02 Transfer Payment depends on the payment method.
 Note:
 - In the case of fixed asset purchasing, this process can proceed to the work procedure of FA-01-01 RMA Addition for fixed asset addition.
 - In the case of intercompany reimbursement, this process can proceed to the work procedure of AR-02-02 Direct Accounts Receivable Recording. AP team should send email to AR team for sales invoice recording confirmation.