

Type: Standard Operating Procedure No: AP-02-03 Title: Direct Accounts Payable Recording	Banpu Public Company Limited Finance	Revision: 00 Page 1 / 6
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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 'Direct Accounts Payable Recording process', ensuring that AP transactions are recorded, whether manually or interfaced from source systems, in an accurate and timely manner into the Enterprise Resource Planning (ERP) system.

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:

- Intercompany
- Supervisor

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

References:

For direct accounts payable approval by each expense types:

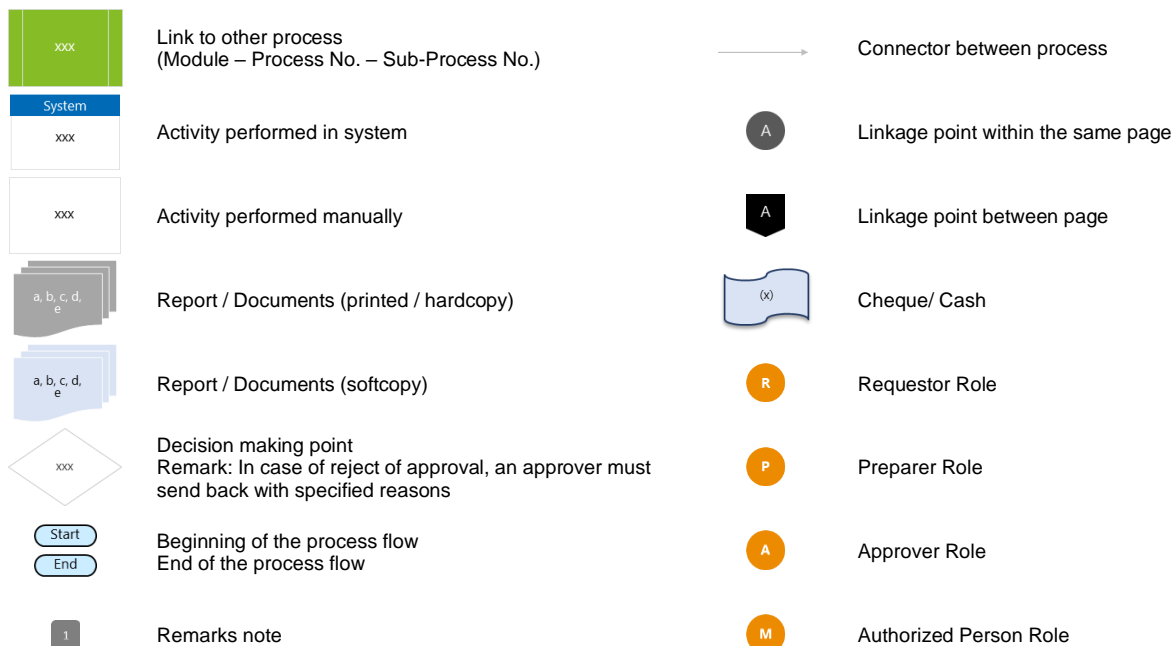
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For DOA, refer to the Appendix 2 : References [File Name: SOP Appendix 2 References].

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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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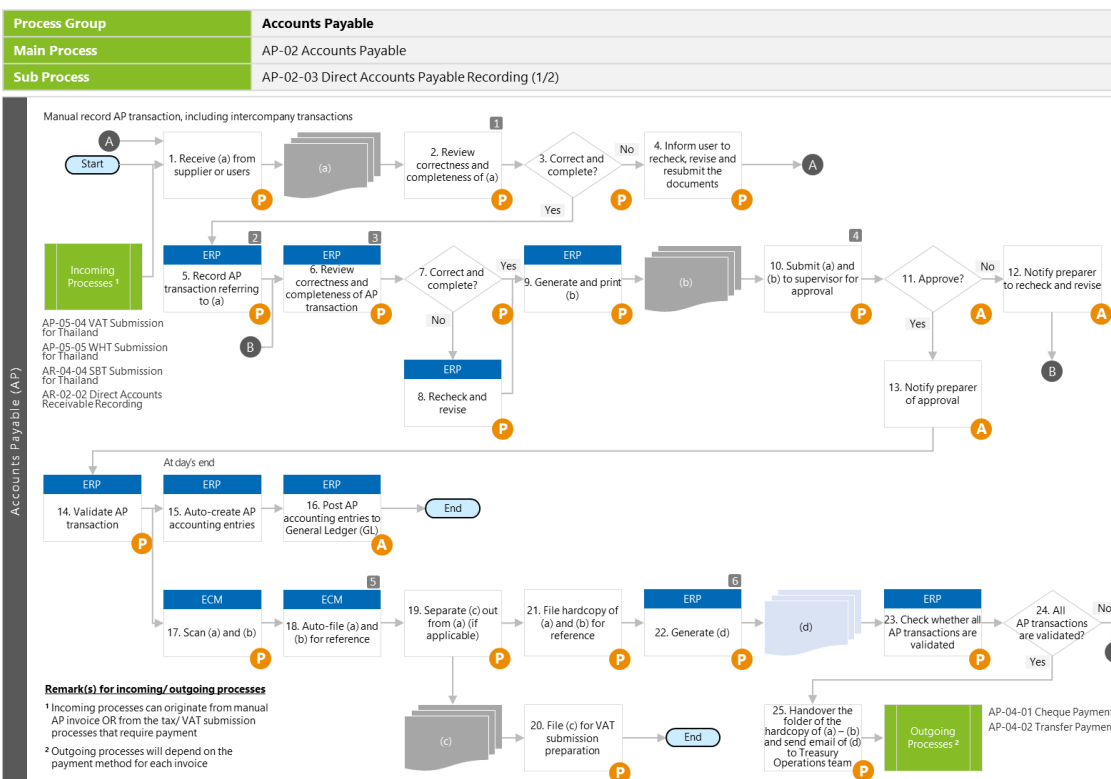
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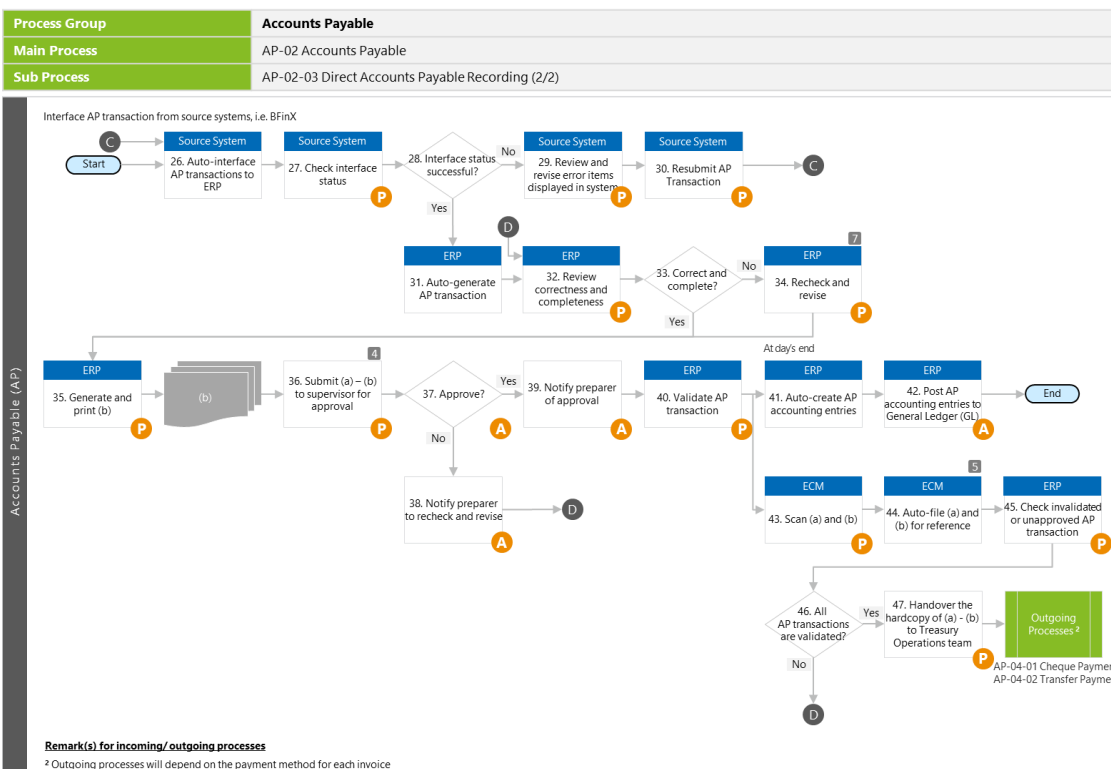
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Relevant Document(s)
a) AP Supporting Documents, for example: - Invoice or Invoice/ Tax invoice (including e-Tax invoice) - Receipt or Receipt/ Tax invoice (including e-Receipt) - Signed Contract - Review Drafted Tax Form (In case of AP related to tax submission) b) APV with QR Code (For ECM reference to upload supporting documents) c) Invoice/ Tax Invoice or Receipt/ Tax Invoice (including e-Tax Invoice) d) APV Listing Report includes information at least: - Due Date - Pay Group
Remark(s)
1 AP team must review at least the following: - Tax invoice format as specified by the Tax Authority - Tax invoice information e.g. name, address, tax ID, VAT rate, amount, etc. - Invoice or Invoice/ Tax Invoice details as specified by the company - Invoiced amount is correct and corresponding to the supporting documents. 2 Information have to default from master data at least the following: - Payment information, e.g. supplier's bank account and email 3 AP team reviews and revises (if needed) at least the following: - Invoice information e.g. invoice and tax invoice number, invoice date, GL posting date, etc. - Payment information e.g. payment method, pay group, etc. - VAT and WHT information, revise the information if needed e.g. VAT rate and amount, WHT rate, etc. 4 AP preparer can submit APV for review and approval via either hardcopy or email 5 ECM will create a folder based on APV and upload the supporting documents in designated folder 6 APV listing report shows APV's by pay group and due date



Relevant Document(s)
a) AP supporting documents, for example: - Invoice or Invoice/ Tax invoice (including e-Tax invoice) - Receipt or Receipt/ Tax invoice (including e-Receipt) - Signed Contract - Review Drafted Tax Form (In case of AP related to tax submission) b) APV with QR Code (For ECM reference to upload supporting documents) c) Invoice/ Tax Invoice or Receipt/ Tax Invoice (including e-Tax Invoice) d) APV Listing Report includes information at least: - Due Date - Pay Group
Remark(s)
4 AP preparer can submit APV for review and approval via either hardcopy or email 5 ECM will create a folder based on APV and upload the supporting documents in designated folder 7 In some cases, AP preparer needs to cancel AP transactions, go back to revise the transaction in source system, then resubmit the data from source system to recreate AP transactions in ERP.

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Detail of Procedure: AP-02-03

In case of manual direct AP transaction record, including intercompany transactions (from step #1 - #25)

1. AP preparer receives AP Supporting Documents from supplier or users. Example of AP Supporting Documents include the following:
 - Invoice or Invoice/ Tax invoice (including e-Tax invoice)
 - Receipt or Receipt/ Tax invoice (including e-Receipt)
 - Signed Contract
 - Review Drafted Tax Form (In case of AP related to tax submission)
2. AP preparer reviews correctness and completeness of AP supporting documents. The review must include at least:
 - Tax invoice format as specified by the Tax Authority
 - Tax invoice information e.g. name, address, tax ID, VAT rate and amount, etc.
 - Invoice or Invoice/ Tax Invoice details as specified by the company
 - Invoiced amount is correct and corresponding to the supporting documents.
3. AP preparer reviews the result from step #2 to determine whether the documents are correct and complete:
 - a. If correct and complete, proceed to step #5.
 - b. If incorrect and/or incomplete, proceed to step #4
4. AP preparer informs user to recheck, revise and resubmit the documents. Then proceed back to step #1
5. AP preparer directly records AP transaction, referring to the AP Supporting Documents, via ERP. The payment information have to automatically populate from Supplier Master Data:
 - Payment information, e.g. supplier's bank account and email.
6. AP preparer reviews the correctness and completeness of AP transactions before submitting to supervisor for approval. The review should include at least:
 - Invoice information e.g. invoice and tax invoice number, invoice date, GL posting date, etc.
 - Payment information e.g. payment method, pay group, etc.
 - VAT and WHT information, revise the information if needed e.g. VAT rate and amount, WHT rate, etc.
7. AP preparer reviews the result from step #6 to determine whether the AP transactions are correct and complete:
 - a. If correct and complete, proceed to step #9.
 - b. If incorrect and/or incomplete, proceed to step #8.
8. AP preparer rechecks and revises AP transactions.
9. AP preparer generates and print APV.
10. AP preparer submits the documents to supervisor for approval. The submitted documents include:
 - APV.
 - AP Supporting Documents.

Note: AP preparer can submit APV for review and approval via either hardcopy or email
11. AP approver reviews the submitted documents to confirm the correctness and completeness of AP transactions:
 - a. If approved, proceed to step #13.
 - b. If not approved, proceed to step #12.
12. AP approver notifies the preparer to recheck and revise the AP transaction. Then proceed back to step #6.
13. AP approver notifies the preparer of approval.
14. AP preparer validates AP transactions in Enterprise Resource Planning (ERP). Then proceed to step #15 and #17.
15. At day's end, ERP automatically creates accounting entries for AP transactions per schedule.

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16. AP supervisor as an approver, manually posts the AP accounting entries to GL. Then end of the manual direct AP transaction record process.
17. AP preparer scans AP supporting documents and APV via ECM.
18. ECM automatically files the scanned document from step #17 for reference in designated folder.
19. AP preparer separates hardcopy of Original Invoice/ Tax Invoice and Receipt/ Tax Invoice (including e-Tax Invoice) (if applicable) from the AP Supporting Documents. Then proceed to step #20 and #21.
20. AP preparer files the original tax invoice separated in step #19 in the tax invoice folder for VAT submission preparation.
21. AP preparer files hardcopy of AP Supporting Documents and APV in the folder for reference.
22. AP preparer generates APV Listing Report.
Note: APV listing report shows APV by pay group and due date.
23. AP preparer checks whether all AP transactions are validated.
24. AP preparer reviews the result from step #23 to determine whether all AP are validated:
 - a. If all AP transactions are validated, proceed to step #25.
 - b. If some AP transactions are invalidated, proceed back to step #6.
25. AP preparer handovers the folder of hardcopy of the documents in step #21, 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 depend on the payment method for each invoice.

In case of direct interface AP transaction from source systems, i.e. BFinX (from step #26 - #47)

26. Source System automatically interfaces the AP transaction to ERP.
27. AP preparer checks interface status in Source system.
28. AP preparer reviews the result from step #27 to determine whether the interface status is successful:
 - a. If the interface status is successful, proceed to step #31.
 - b. If the interface status is unsuccessful, proceed to step #29.
29. In the case that the interface status is unsuccessful, AP preparer reviews and revises error items displayed in Source System.
30. After the revision, AP preparer resubmits the AP transactions from Source System, then proceed back to step #26.
31. In the case that the interface status is successful, ERP automatically generates AP transactions from the Source System.
32. AP preparer reviews the correctness and completeness of AP transactions before submitting to supervisor for approval.
33. AP preparer reviews the result from step #32 to determine whether the AP transactions are correct and complete:
 - a. If correct and complete, proceed to step #35.
 - b. If incorrect and/or incomplete, proceed to step #34.
34. AP preparer rechecks and revises AP transactions in ERP.
Note: In some cases, AP preparer needs to cancel AP transactions, go back to revise the transaction in source system, then resubmit the data from source system to recreate AP transactions in ERP.
35. AP preparer generates and prints APV.
36. AP preparer submits the documents to supervisor for approval. The submitted documents include:
 - APV.

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- AP Supporting Documents (if applicable).

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

37. AP approver reviews the submitted documents to confirm the validation of AP transactions:
 - a. If approved, proceed to step #39.
 - b. If not approved, proceed to step #38.
38. AP approver notifies the preparer to recheck and revise the AP transaction. Then proceed back to step #32.
39. AP approver notifies the preparer of approval.
40. AP preparer validates AP transactions in Enterprise Resource Planning (ERP).
41. At day's end, ERP automatically creates accounting entries for AP transactions per schedule.
42. AP supervisor as an approver, manually posts the AP accounting entries to GL.
43. AP preparer scans the APV and AP Supporting Documents via ECM.
44. ECM automatically files the scanned document from step #43 for reference in designated folder.
45. AP preparer checks whether all AP transactions are validated in ERP.
46. AP preparer reviews the result from step #45 to determine whether all AP transactions are validated:
 - a. If all AP transactions are validated, proceed to step #47.
 - b. If some AP transactions are invalidated, proceed back to step #32.
47. AP preparer handovers the hardcopy of AP Supporting Documents and APV to TR team to proceed to the work procedure of AP-04-01 Cheque Payment and AP-04-02 Transfer Payment depend on the payment method for each invoice.