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Title: Debit/ Credit Note 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 'Debit/ Credit Note Recording process', ensuring that credit or debit note transactions, whether manually created or interfaced from the Sales Systems, are processed accurately and in a 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:

- Debit Note
- Credit Note
- Counterpart (Intercompany)
- Supervisor

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

References:

For debit/ credit note approval:

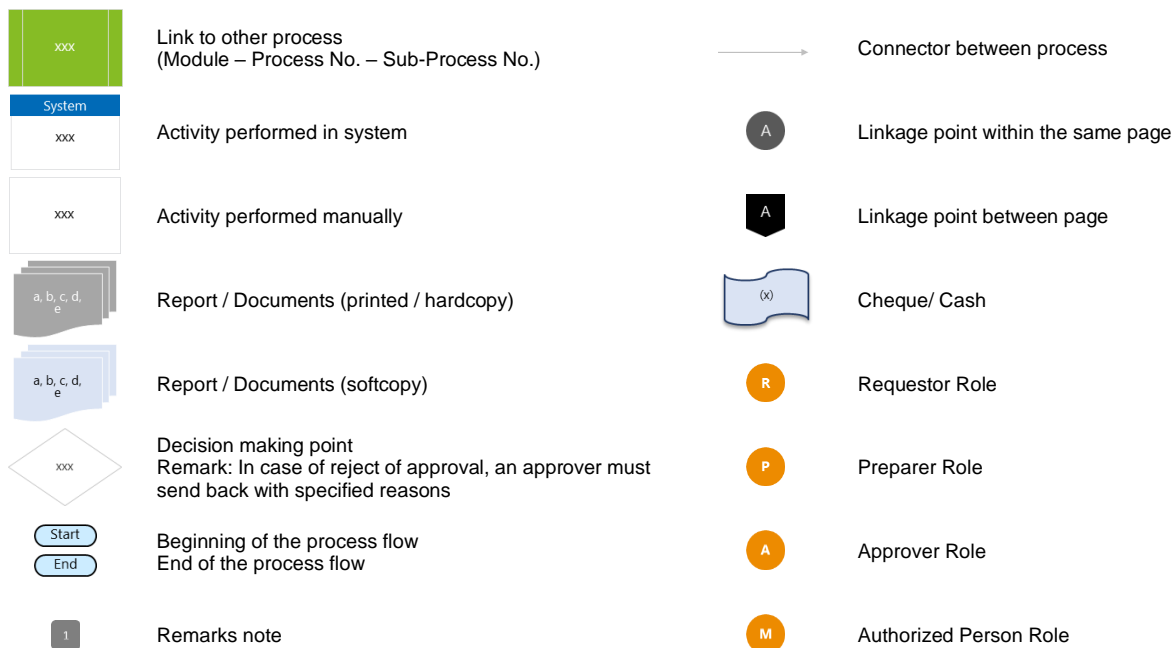
- DOA

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
ARV	Accounts Receivable Voucher

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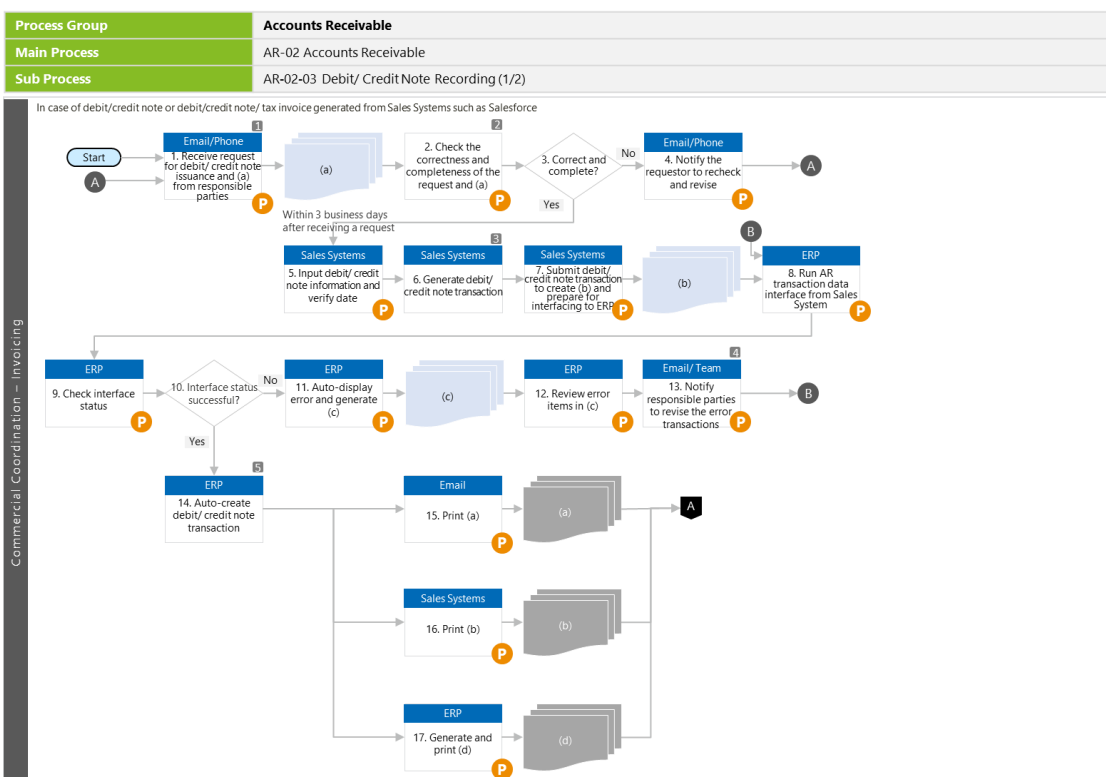
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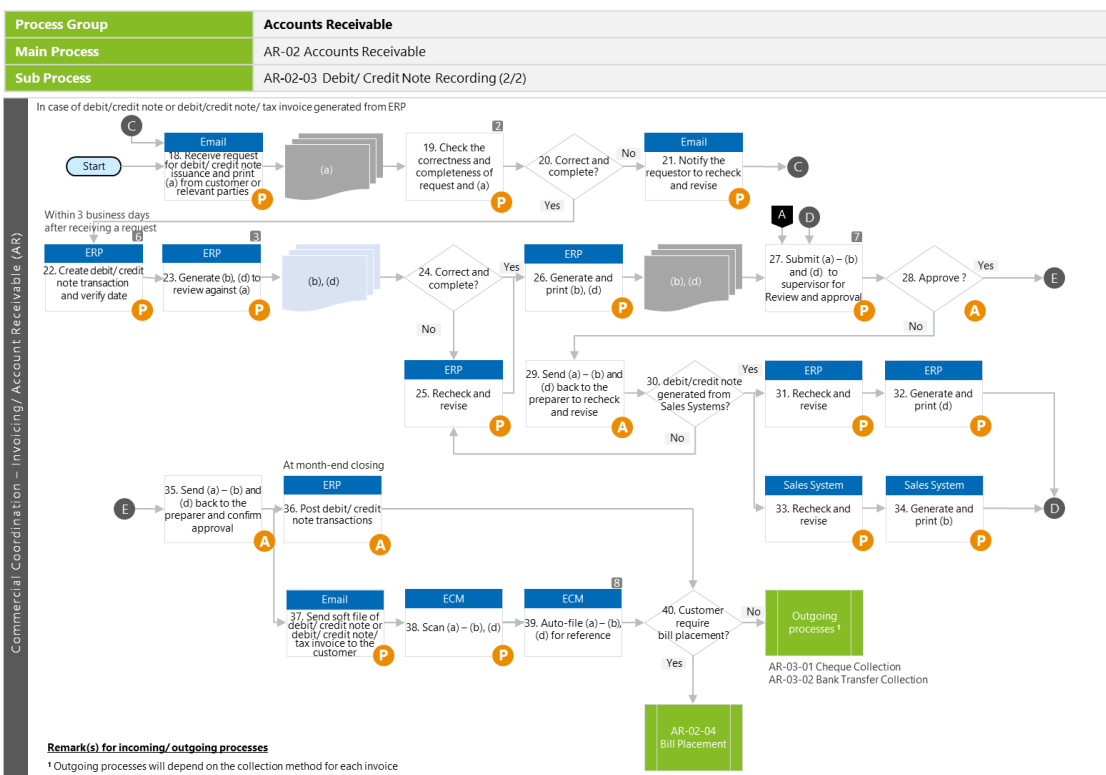
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Title: Debit/ Credit Note Recording



Relevant Document(s)									
a)	Example of supporting documents for Debit/Credit Note including: <ul style="list-style-type: none">- Email request from customer- Approved memo per DOA for issuing debit/credit note, such as price changes- Goods Received Quantity report- Meter unit report								
b)	Debit/ Credit Note, or Debit/ Credit Note/ Tax Invoice								
c)	Exception Report								
d)	AR Voucher (ARV) with QR Code from Enterprise Resource Planning (ERP)								
Remark(s)									
1	Example of responsible parties: <ul style="list-style-type: none">- Sales team- Site Operations team- Customer Services (CS)								
2	Commercial Coordination – Invoicing/ AR team must review at least the following: <ul style="list-style-type: none">- Customer details (Code, Name, etc.)- Credit/ debit note information (Date of transaction, Service/ product type, Sales/Service amount, VAT/ WHT amount, etc.)- Approval from the authorized person								
3	Commercial Coordination – Invoicing team must review Credit/ debit note details in the system before submitting the document at least the following: <ul style="list-style-type: none">- Customer detail (name, address, and Tax ID)- Credit/debit note amount- Different amount between reference invoice and credit/debit note- VAT amount- WHT amount (if any)- Reference invoice number- Reference invoice date- Reason of credit/ debit note								
4	Example of responsible parties include the D&I, Finance System, or Finance and Accounting teams								
5	Interfaced debit/credit note transactions should include details of VAT and WHT, debit/credit note doc. number (running from sales systems) and counterpart (Intercompany) information and generate accounting entries: <table><tr><th>Debit Note</th><th>Credit Note</th></tr><tr><td>Dr. AR</td><td>Dr. Revenue</td></tr><tr><td>Cr. VAT (if any)</td><td>Dr. VAT (if any)</td></tr><tr><td>Cr. Revenue</td><td>Cr. AR</td></tr></table>	Debit Note	Credit Note	Dr. AR	Dr. Revenue	Cr. VAT (if any)	Dr. VAT (if any)	Cr. Revenue	Cr. AR
Debit Note	Credit Note								
Dr. AR	Dr. Revenue								
Cr. VAT (if any)	Dr. VAT (if any)								
Cr. Revenue	Cr. AR								



Relevant Document(s)
a) Example of supporting documents for Debit/Credit Note including: <ul style="list-style-type: none"> Email request from customer Approved memo per DOA for issuing debit/credit note such as price changes Goods Received Quantity report Meter unit report b) Debit/ Credit Note, or Debit/ Credit Note/ Tax Invoice
c) Exception Report
d) AR Voucher (ARV) with QR Code from Enterprise Resource Planning (ERP)
Remark(s)
2. Commercial Coordination – Invoicing/ AR team must review at least the following: <ul style="list-style-type: none"> Customer details (Code, Name, etc.) Element in each segment Credit/ debit note information (Date of transaction, Service/ product type, Sales/Service amount, VAT/ WHT amount, etc.) Approval from the authorized person 3. Commercial Coordination – Invoicing/ AR team must review Credit/ debit note details in the system before submitting the document at least the following: <ul style="list-style-type: none"> Customer detail (name, address and Tax ID) Credit/debit note amount Different amount between reference invoice and credit/debit note VAT amount WHT amount (if any) Reference invoice number Reason of credit/debit note 6. Debit/Credit note transactions can be recorded through two main methods: <ul style="list-style-type: none"> Individual Recording: entering the details of each transaction directly into the system Mass Recording: uploading a template file containing information for multiple transactions 7. Commercial Coordination – Invoicing/ AR preparer may submit the documents for review and approval via either hard copy or email
8. ECM will create a folder based on ARV and upload the supporting documents in designated folder

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In case of debit/ credit note or debit/ credit note/ tax invoice generated from Sales Systems such as Salesforce (from step #1 - #17)

1. Commercial Coordination – Invoicing preparer receives the request for Debit/ Credit note issuance and supporting documents from customer or responsible parties via email or phone. Example of responsible parties are:
 - Sales team
 - Site Operations team
 - Customer Service (CS)
 Example of supporting documents for Debit/ Credit Note including:
 - Email request from customer.
 - Approved Memo per DOA for issuing debit/ credit note, such as price changes.
 - Goods Received Quantity report.
 - Meter unit report.
2. Commercial Coordination – Invoicing preparer checks the correctness and completeness of request and supporting documents. Commercial Coordination – Invoicing team must review at least the following:
 - Customer details (Code, Name, etc.).
 - Credit/ debit note information (Date of transaction, Service/ product type, Sales/Service amount, VAT/ WHT amount, etc.).
 - Approval from the authorized person.
3. Commercial Coordination – Invoicing preparer reviews the result from the step #2 whether the supporting 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. Commercial Coordination – Invoicing preparer notifies the requestor to recheck and revise via email or phone. Then proceed back to step #1.
5. Within 3 business days after receiving a request, Commercial Coordination – Invoicing preparer inputs the debit/ credit note information and verify date in Sales Systems.
6. Commercial Coordination – Invoicing preparer generates debit/ credit note transactions. Commercial Coordination – Invoicing team must review credit/ debit note details in the system before submitting the transaction at least the following:
 - Customer detail (name, address, and Tax ID).
 - Credit/debit note amount.
 - Different amount between reference invoice and credit/debit note.
 - VAT amount.
 - WHT amount (if any).
 - Reference invoice number.
 - Reference invoice date.
 - Reason of credit/debit note.
7. Commercial Coordination – Invoicing preparer submits the debit/ credit note transactions from Sales Systems to create Debit/ Credit Note, or Debit/ Credit Note/ Tax Invoice and to prepare for interfacing to ERP.
8. Commercial Coordination – Invoicing preparer runs AR transactions data interface into ERP from Sales System.
9. Commercial Coordination – Invoicing preparer checks the interface status in ERP.

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10. Commercial Coordination – Invoicing preparer reviews the result from the step #9 whether the interface status is successful:
 - a. If the interface status is successful, proceed to step #14.
 - b. If the interface status is unsuccessful, proceed to step #11.
11. ERP automatically displays the error and generates Exception Report.
12. Commercial Coordination – Invoicing preparer reviews the error items listed in the Exception Report within ERP.
13. Commercial Coordination – Invoicing preparer notifies the relevant parties to revise and correct the error transactions via Email or Team. Example of responsible parties include the D&I, Finance System, or Finance teams. Then proceed back to step #8.
14. ERP automatically creates debit/ credit note transactions. The interfaced debit/ credit note transactions should include details of VAT and WHT, Debit/ Credit note number (running from sales systems), and counterpart (Intercompany) information and generate accounting entries:
 - Debit Note:
Dr. AR.
Cr. VAT (if any).
Cr. Revenue.
 - Credit Note:
Dr. Revenue.
Dr. VAT (if any).
Cr. AR.
15. Commercial Coordination – Invoicing preparer prints the supporting documents from Email. Then proceed to step #27.
16. Commercial Coordination – Invoicing preparer prints Debit/ Credit Note or Debit/ Credit Note/ Tax Invoice from Sales Systems. Then proceed to step #27.
17. Commercial Coordination – Invoicing preparer generates and prints ARV from ERP. Then proceed to step #27.

In case of manual direct debit/ credit note (from step #18 - #26)

18. Commercial Coordination – Invoicing/ AR preparer receives the request for Debit/ Credit note issuance with supporting documents from requestor. AR preparer prints the supporting documents received. Example of supporting documents for Debit/ Credit Note including:
 - Email request from customer.
 - Approved Memo per DOA for issuing debit/ credit note, such as price changes.
 - Goods Received Quantity report.
 - Meter unit report.
19. Commercial Coordination – Invoicing/ AR preparer checks the correctness and completeness of request and supporting documents. This review should include at least:
 - Customer details (Code, Name, etc.).
 - Credit/ debit note information (Date of transaction, Service/ product type, Sales/Service amount, VAT/ WHT amount, etc.).
 - Approval from the authorized person.

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20. Commercial Coordination – Invoicing/ AR preparer reviews the result from the step #19 whether it is correct and complete. Commercial Coordination – Invoicing/ AR team must review at least the following:
 - Customer details (Code, Name, etc.).
 - Credit/ debit note information (Date of transaction, Service/ product type, Sales/Service amount, VAT/ WHT amount, etc.).
 - Approval from the authorized person.
 - a. If correct and complete, proceed to step #22.
 - b. If incorrect and/or incomplete, proceed to step #21.
21. Commercial Coordination – Invoicing/ AR preparer notifies the requestor to recheck and revise via email. Then proceed back to step #18.
22. Within 3 business days after receiving a request, Commercial Coordination – Invoicing/ AR preparer creates the debit/ credit note transaction and verifies the date in ERP. Debit/ credit note transactions can be recorded through two main methods.
 - Individual Recording: entering the details of each transaction directly into the system.
 - Mass Recording: uploading a template file containing information for multiple transactions.
23. Commercial Coordination – Invoicing/ AR preparer generates the Debit Note, Credit Note, or Debit/ Credit Note/Tax Invoice, and ARV from ERP to review against the request and supporting documents. Commercial Coordination – Invoicing/ AR team must review Credit/ debit note details in the system before submitting the document at least the following:
 - Customer detail (name, address, and Tax ID).
 - Credit/debit note amount.
 - Different amount between reference invoice and credit/debit note.
 - VAT amount.
 - WHT amount (if any).
 - Reference invoice number.
 - Reference invoice date.
 - Reason of credit/debit note.
24. Commercial Coordination – Invoicing/ AR preparer reviews the result from the step #23 whether the transaction is correct and complete:
 - a. If correct and complete, proceed to step #26.
 - b. If incorrect and/or incomplete, proceed to step #25.
25. Commercial Coordination – Invoicing/ AR preparer rechecks and revises in ERP.
26. Commercial Coordination – Invoicing/ AR preparer generates and prints the Debit Note, Credit Note, or Debit/ Credit Note/ Tax Invoice, and ARV from ERP.
27. Commercial Coordination – Invoicing/ AR preparer submits the supporting documents, Debit Note, Credit Note, or Debit/ Credit Note/Tax Invoice, and ARV to supervisor for review and approval.
Note: AR preparer may submit the documents for review and approval via either hard copy or email.
28. AR approver reviews the submitted transactions with supporting documents:
 - a. If approve, proceed to step #35.
 - b. If not approve, proceed to step #29.
29. In case the approver did not approve, AR approver sends the supporting documents, Debit Note, Credit Note, or Debit/ Credit Note/ Tax Invoice, and ARV back to the preparer to recheck and revise the transactions.

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30. Commercial Coordination – Invoicing preparer considers whether the Debit Note, Credit Note, or Debit/ Credit Note/ Tax Invoice is generated from Sales System:
 - a. If Debit Note, Credit Note, or Debit/ Credit Note/ Tax Invoice is generated from Sales System, proceed to step #31 and #33.
 - b. If Debit Note, Credit Note, or Debit/ Credit Note/ Tax Invoice is not generated from Sales System, proceed back to step #25.
31. Commercial Coordination – Invoicing preparer rechecks and revises the debit/ credit note transactions in ERP.
32. Commercial Coordination – Invoicing preparer generates and prints ARV from ERP. Then proceed back to step #27 to resubmit the documents for approval.
33. Commercial Coordination – Invoicing preparer rechecks and revises the debit/ credit note transactions in Sales System.
34. Commercial Coordination – Invoicing preparer generates and prints the Debit Note, Credit Note, or Debit/ Credit Note/ Tax Invoice from Sales System. Then proceed back to step #27 to resubmit the documents for approval.
35. In case the approver approved, AR approver sends the supporting documents, Debit Note, Credit Note, or Debit/ Credit Note/ Tax Invoice, and ARV back to the preparer and confirms approval. Then proceed to step #36 and #37.
36. At month-end closing, AR approver posts debit/ credit note transactions in ERP. Then proceed to step #40.
37. Commercial Coordination – Invoicing preparer sends the softcopy of Debit Note, Credit Note, or Debit/ Credit Note/ Tax Invoice to the customer via email.
38. Commercial Coordination – Invoicing/ AR preparer scans the supporting documents, Debit Note, Credit Note, or Debit/ Credit Note/ Tax Invoice, and ARV via ECM.
39. ECM automatically files the scanned documents from the step #38 for reference. ECM will create a folder based on ARV and upload the supporting documents in designated folder. Then proceed to step #40.
40. Commercial Coordination – Invoicing/ AR preparer considers whether the customer requires bill placement.
 - a. If customer requires, proceed to the work procedure of AR-02-04 Bill Placement.
 - b. If customer doesn't require, proceed to the work procedure of AR-03-01 Cheque Collection and AR-03-02 Bank Transfer Collection depends on the collection method for each debit/ credit note.