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| **Initiation** | 🗶 |
| *The point where the transaction first enters the entity’s process and is prepared and submitted for recording.*  To initiate a sale of goods, a customer will submit a sales order (“SO”) with Summit Equipment. The SO is received electronically in SAP (the company’s general ledger system) and will indicate the types, quantities, and prices of products to be purchased. Provided that the form of payment is approved, the SO will be routed for processing within SAP. | |

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| **Recording** | 🗶 |
| *The point where the transaction is first recorded in the books and records of the entity.*  After an SO is approved, a Work Order (“WO”) with a unique number will be created by the Sales Department in SAP. The customer's SO is the originating document which triggers the creation of the WO.  The WO will identify the product being ordered by the customer, triggering the inventory module in SAP to verify that the product is on hand and available for shipping. If the product is in stock, the WO is forwarded to the Warehouse department to prepare the shipment. | |

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| **Processing** | 🗶 |
| *Any changes, manipulation or transfers of the data in the books and records of the entity.*  Before the WO is sent to the Warehouse Department to be filled, a Sales Manager will compare the WO to the SO for consistency. Once reviewed and approved, a copy of the WO is sent to the Warehouse Department to be filled and the original is remained in the Sales Department.  Once the order has been filled, a packing slip is generated and the goods are boxed for shipment to the customer. The Warehouse Department will ‘Complete’ the Work Order (“WO”) in the Inventory Module of SAP based on the packing slip information. This confirms that the WO has now been filled and the customer can be invoiced.  ***Customer Invoices***  The Inventory Module in SAP will generate an Inventory Billing Report summarizing the details of each product sold to a customer, stating the quantity as well as any other necessary required information to be billed to the customer.  Inventory Billing Reports are examined and recalculated by the Accounts Receivable (“AR”) Accountant(s) (i.e. that the quantity is accurate). An Intermediate Accountant will perform a review of the reports.  Before invoicing the customer, a summarized Inventory Billing Report is sent to the customer by the AR Clerk(s) at the end of every month to ensure they agree with the quantity and price of items to be billed. This is reconciled to their own records to ensure items have not been over-charged or under-charged. In some cases, disputes do arise; however, they are quickly resolved by the Intermediate Accountant through discussion with the customer.  All revenue is invoiced in Swiss Francs (CHF). | |

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| **Reporting** | 🗶 |
| *The point where the transaction is reported (i.e., posted) in the general ledger or disclosure is made in the financial statements.*  ***Review & Reporting of Invoices***  Invoices are entered in the AR subledger of SAP by the AR Accountant as follows:  DR – AR - Trade receivables  CR – Sales -Sales of goods and services  The journal entry reflects the total to be billed to a customer based on the Inventory Billing Reports.  The journal entry is reviewed and authorized by the Finance Manager in accordance with the entity’s Managing Journal Entries Policy (SE-003) in SAP.  Once approved, the journal entry is posted to the general ledger. If any discrepancies are identified, then the Finance Manager will request the AR Accountant to follow-up and resubmit the journal entry for review and approval.  Once signed off, the invoice can be generated then be sent (electronically) by the AR department for disbursement to the customer. The AR department issues all invoices.  Once the invoice has been paid as part of the AR process, the following journal entry will occur:  DR – Cash  CR – AR - Trade receivables  ***Reporting***  Every month, a reconciliation for each sales GL account is prepared by the AR Accountant(s), and reviewed by the AR Accounting Manager. Any revisions from that review are provided to the AR Accountant(s), to incorporate in the next month’s schedules.  On a quarterly basis, a summarized sales report by customer and GL code is prepared and reviewed by the Global AR Accounting Manager. This information is then used by the business unit Financial Controller to prepare the financial statement disclosures.  Once prepared the financial statements are sent by the Business Unit Financial Controller to the CFO who performs a review. | |