

Accounts Payable Policy

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Accounts Payable Policy – Guidelines document

Introduction & Purpose

The purpose of this Accounts Payable Policy is to establish clear guidelines and procedures for the submission, validation, approval, and payment of invoices. This policy ensures that all invoices are processed efficiently, accurately, and in compliance with company standards and regulatory requirements. By adhering to these guidelines, we aim to maintain strong relationships with our vendors and ensure timely and accurate payments.

Scope

This policy applies to Netwoven Inc. Accounts Payable management.

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Section 1: Invoice Submission

Vendors must submit invoices in PDF (preferred) or DOCX format. This ensures that the invoices are in a standardized format that can be easily processed and stored. Invoices must include essential information such as Invoice #, Invoice Date, Due Date, Vendor Name, and Total Amount. The Description field should reflect either Product Details (Product Purchase for end user clients or Consultant/Contractor Name with period of work in approved Billable hours). This information is crucial for identifying the invoice, tracking its status, and ensuring timely payment. Optional information such as Vendor Phone Number, Vendor Address, and Vendor Contact can also be included to provide additional context and facilitate communication with the vendor.

Section 2: Invoice Validation

Invoices will be validated by AP Team to ensure accuracy and compliance with company policies. The following rules apply: If line items exist, their total should match the invoice total. The payment date should align with the agreed payment terms. The invoice date cannot be in the future or more than 3 months in the past. This prevents fraudulent or outdated invoices from being processed.

Invoices with duplicate invoice IDs will be rejected. The vendor name must exist in the vendor management system (ViewPost). Else, AP Team will send link invite to new Vendor for adding Profile in ViewPost.

Section 3: Invoice Approval

All invoices must undergo a multi-tier approval process to ensure accuracy and authorization. Initially, invoices must be approved by the AP finance maker, after having cross checked all criteria of approved rate, period Product/Consulting, compliance with SOW and corresponding Client Invoicing & AR status. This'll be followed by the AP finance checker (Head – Finance) to provide with concurrence to go ahead based on the above. Invoices to be processed via Bank will need approval by the by the CEO. If payment terms are not specified in any agreement, the invoice must be approved by the (Head – Finance).

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Section 4: Invoice Payment Processing

Payments will be processed according to the specified payment terms, which default to Net 30 unless otherwise stated. Payments will be scheduled as below:

- Vendors enrolled in ViewPost: Approved Invoices (Bills) in ViewPost
- Vendors not enrolled in ViewPost: Approved Invoices (Bills) via Bank of America

Section 5: Email Communication

Specific email communication guidelines must be followed to ensure proper documentation and processing of Invoices (Bills). Vendor/Contractor is needed to email worked Billable Hours details to AP Team, duly approved by Client Project Manager.

Quotes must be sent to AP for review and sign-off/execution followed by mail to Vendor from Head – Finance approving the purchase of Product Licenses. Invoices (Bills) and fully executed Quote must be sent as attachments to the email.

Section 6: Payment Reconciliation

For each remittance, reconciliation check needs to be performed to ensure that the payment has been posted correctly. This involves verifying that the payment amount matches the invoice amount and that the payment has been recorded in the AP payment tracking file & in accounting system (QBO).

Section 7: Payment Processing

Payments should be processed on the date they were scheduled which would be based on payable date and having cross checked that corresponding AR is marked Paid. Any Vendor Invoice (Bill) for which corresponding Invoice to client is open which needs to be processed needs to be reviewed with Head – Finance and approval taken to proceed with payment. Ideally Bills should be reviewed to ensure timely payment to vendors. Any delays in payment processing must be communicated to the vendor promptly. This helps maintain good relationships with vendors and ensures that the company meets its financial obligations.