|  |  |
| --- | --- |
| **TITLE** | **PAYMENT TO SUBCONTRACTORS** |
| **OBJECTIVE** | To ensure on time (on or before due date) and accurate payment to subcontractors. |
| **SCOPE** | This procedure covers activities from receipt of subcontractor’s Billing Statement to filing of paid voucher and supporting documents. |

| **Responsibility** | **Activities** | | |  | **Interfaces** |
| --- | --- | --- | --- | --- | --- |
| **With Approved Contract** | **Without Approved Contract** | |
| Finance Officer / Finance Assistant | Receive Billing with Attachments | | | Note 1 | Billing Statement  Supporting Documents  GCC-SD-001 Guidelines for Subcontractor Billing |
| Finance Officer / Finance Assistant | Review documents | Print unapproved Purchase Requisition | |  | Accounting System Purchase Requisition |
| Finance Officer / Finance Assistant | Prepare Accounts Payable Computation |  | |  | Computation |
| Finance Officer | Submit computation, billing and proof of accomplishment to CEO for approval | Submit billing, proof of accomplishment and unapproved Purchase Requisition to CEO for approval | | Note 2 | Billing Statement  Supporting Documents  Computation  Accounting System Purchase Requisition |
| CEO | Y  Approved? | Return to Finance Officer to Complete Missing Documents/ Cancel  N | |  |  |
| CEO | Return to Finance Officer for payment processing | | |  |  |
| Finance Officer | Approve Purchase Requisition in Accounting System  A | | |  | Accounting System Purchase Requisition |
| Finance Assistant | Prepare Purchase Order in Accounting System  A | | |  | Accounting System Purchase Order |
| Finance Assistant | Transfer Work Accomplishment Percentage | | | Note 3 | Accounting System Purchase Order  Accounting System Goods Received Notes  Accounting System Purchase Invoice |
| Finance Assistant /Cashier | Prepare voucher (for check), Cash Advance for Liquidation and check | |  |  | Voucher  Check |
| Finance Officer / Finance Assistant | Forward the check and voucher with attachment to Finance Manager | | | Note 4 | Voucher  Check  Supporting Documents |
| Finance Assistant | Forward Cash Advance for Liquidation to Cashier | | |  | Liquidation to Cashier |
| Cashier | Release payment to service provider | | |  |  |
| Finance Manager | Review and forward documents to VP for Admin and Finance | | |  |  |
| VP for Admin and Finance | Sign and forward check to Cashier with supporting documents | | |  | Voucher  Check  Supporting Documents |
| Cashier | B  Replenish Revolving Fund/ Petty Cash | | |  |  |
| Finance Officer / Finance Assistant | File voucher and supporting documents  B | | | Note 5 | Voucher  Supporting Documents |

**NOTE 1:**

1. Receive Subcontractors’ Billing Statement of their accomplishment with all necessary attachment. Refer to Guideline for Subcontractor Billing (GCC-SD-001)
2. For Subcontractors with approved contract, review documents and track percentage (%) of project completion and compute amount payable to the subcontractors.
3. For Subcontractors without approved contract, print out unapproved Purchasing Request. Once signed, this will serve as their contract.

**NOTE 2:**

1. Submit Billing Statement with:
   1. For subcontractors with approved contract: Computation for payable amount to subcontractor and proof of accomplishment
   2. For subcontractors without approved contract: Purchase Requisition with proof of accomplishment
2. Finance Officer transfers the CEO’s approval of the Purchase Requisition in the Accounting system.

**NOTE 3:**

1. Transfer work accomplishment percentage from Purchase Order to Goods Received Notes.
2. Transfer work accomplishment percentage from Goods Received Notes to Purchase Invoice.
3. Prepare voucher and check so accounting entry will be generated in the Accounting System. Automatically post payment to the subcontractor’s ledger. A Cash Advance for Liquidation is also prepared for the liquidation of the revolving fund/petty cash that will be used to pay the subcontractor/ service provider.

**NOTE 4:**

1. Forward Cash Advance for Liquidation to Cashier to be signed by the subcontractor/ service provider upon acceptance of payment.
2. Forward the following documents, to the Finance Manager for final review:
   1. Check
   2. Voucher
   3. Approved Computation payable to subcontractors
   4. Goods Received Notes
   5. Proof of Work Accomplishment
3. Support documents and attachments are not limited to the ones pre-identified.

**NOTE 5:**

1. Review correctness of the check vs. the supporting documents received from Finance Officer.
2. Upon release of check, cashier signs the voucher as acknowledgement of the payment. Check is used to replenish the used revolving fund/petty cash.
3. Return signed voucher and all supporting documents to the Finance officer for filing.

**RECORDS GENERATED:**

1. Accounting System Purchase Requisition
2. Accounting System Purchase Order
3. Computation
4. Accounting System Goods Received Notes
5. Accounting System Purchase Invoice
6. Voucher
7. Cash Advance for Liquidation

**REFERENCES:**

1. Billing Statement
2. Supporting Documents
3. Guidelines for Subcontractor Billing GCC-SD-001

|  |  |
| --- | --- |
| Prepared by:  April M. Sartorio  *Finance Officer* | Reviewed and Approved by:  Daisy G. Buerom  *QMR* |
| Date: May 15, 2014 | Date: May 15, 2014 |