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| **TITLE** | **ADVANCE PAYMENT TO SUPPLIERS** |
| **OBJECTIVE** | To ensure accurate payment to suppliers and all paid items are received on time. |
| **SCOPE** | This procedure covers activities from receipt written advice for advance payment from CEO to confirmation of delivery. |

| **Responsibility** | **Activities** | |  | **Interfaces** |
| --- | --- | --- | --- | --- |
| Finance Officer | Receive written advice from CEO | |  | Written Advice |
| Finance Officer | Forward written advice to Purchaser for preparation of Purchase Order | Print written advice for check payment processing | Note 1 | Written Advice |
|  | Proceed to Purchasing Procedure |  |  |  |
|  | Forward printed approved Purchase Order to Finance Officer |  |  | Accounting System Purchase Order |
|  |  | Prepare voucher and check |  | Written Advice, Accounting Purchase Requisition, Accounting System Purchase Order  Accounting System Voucher |
| Finance Officer / Finance Assistant | Forward check with supporting documents to Finance Manager | |  | Accounting System Voucher  Support Documents |
| Finance Manager | Review and forward check with supporting documents to VP for Admin and Finance | |  | Accounting System Voucher  Support Documents |
| VP for Admin and Finance | A  Sign check and return to Finance officer with supporting documents for release | |  | Accounting System Voucher  Support Documents |
| Finance Assistant | A  Release Check | |  |  |
| Finance Officer / Finance Assistant | File voucher and supporting documents | |  | Accounting System Voucher  Support Documents |
|  | Goods Delivered?  Follow up Supplier  Y  N | |  |  |
| Finance Officer | Knock off Advance Payment in Supplier Ledger | |  |  |

**NOTE 1:**

1. Receive written advice from CEO for advance payment.
2. Confirm price/s with supplier.
3. Forward written advice to Purchaser for the preparation Purchase Order. Refer to Requisition and Purchasing Procedure (GCC-PM-103).

**NOTE 2:**

1. Prepare Accounting System Voucher and check. Post payment to Supplier Ledger and generate accounting entry.
2. Receive print out of approved Purchase Order from Purchaser.
3. Forward Accounting System Voucher, check, written advice and approved Purchase Order to the Finance Manager for final review.

**NOTE 3:**

1. Review check vs. supporting documents to ensure everything is correct.
2. Forward check and voucher with all supporting documents to VP for Admin and Finance for approval.
3. VP for Admin and Finance forwards signed check and voucher with supporting documents to Finance Officer for release.

**NOTE 4:**

1. Let supplier sign the voucher upon release of check.
2. File voucher, official receipt and all supporting documents in the Supplier’s Individual Folder.
3. Monitor delivery of goods. Transfer Goods Received Notes to Purchase Invoice.
4. Knock off the advance payment in the Supplier Ledger upon confirmation of delivery.

**RECORDS GENERATED:**

1. Accounting System Voucher
2. Accounting Purchase Requisition
3. Accounting System Purchase Order

**REFERENCES:**

1. Written Advice

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| Date: May 15, 2014 | Date: May 15, 2014 |