

<b>SUPPLIERS BILL PAYMENTS</b>
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## 1 Purpose

The purpose of this procedure is to define a system for planning and controls of activities relating to payment to suppliers for supplies as per execution and terms and conditions of purchase order/agreement entered into with the contractors by the KSPH&IDCL.

### 1.1 Application

This procedure is applicable to cover all the supply bills as per purchase order/agreement.

### 2.0 Responsibility

Overall Responsibility rest with the Executive Engineer and Authority for various activities of project management is described in procedure part.

### 3.0 Terms and definitions

- 1 **Part bills or Running Account Bills:** Denotes the account with a contractor when payment for work or supplies is made to him at convenient intervals subject to final settlement of the accounts on the completion or determination of his contract.
- 2 **On Account payment or payment on Account:** Means a payment made on a running account, to a contractor in respect of work done or supplied made by him and duly measured. Such a payment may or may not be for the full value of work or supplied; if it is subject to the final settlement of running account on the completion of the contract for the work or supplies.
- 3 **Intermediate payments:** The term applied to a disbursement of any kind on a running account not being the final payment. It includes an "Advance payment", a "Secured advance" and an "on account payment" (other than the final payment on a running account) or a combination of these.
- 4 **Mobilisation Advance:** Financial Assistance made to the contractor at a percentage of total contract value at an agreed rate of interest as per conditions of agreements and recoverable with interest before/ on completion of 75% of total value of contract.
- 5 **Detailed measurement Book:** A permanent record to record the detailed measurement of quantity of work carried out for the purpose of making payment and for recording details of payment. wherein the details of check measurements are taken by the AEE/EE as per codal provisions at certain percentage basis are recorded and forms important document for making payment.
- 6 **Verification** - Confirmation, through the provision of objective evidence, that specified requirements have been fulfilled.

### 4.0 Procedures

This procedure is to establish a systematic procedure for effective processing of supply bills for payment by the KSPH&IDCL. The procedure also ensures that financial aspects of the KSPH&IDCL are done as envisaged and there are no deviations and all deviations are properly explained. In addition the procedure ensures that the management is updated with the financial progress made at periodical intervals.

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This procedure covers all the processes of payment of supply bills. Wherever system procedures are established that provide detailed information about that process, relevant procedures have been referenced. In order to facilitate easy understanding of process sequence, project-management process is divided into convenient process.

Following abbreviations and terms are used in the table;

- D = Document R = Record
- MD = Managing Director ED = Executive Director
- FA = Financial Advisor
- EE = Executive Engineer
- AS = Account Superintendent

**4.1 SUPPLY BILLS PAYMENTS**

Sl. No.	Responsibility	Activity description	D / R	D / R Reference
1	JE/AE	<p><b>Preparation of bill by field staff:</b></p> <p>(a) The JE/AE shall examine the make, size, quantity supplied, warranty certificates and other relevant documents as per purchase order/Agreement.</p>	R	Bills
2	JE/AE	<p>JE/AE shall ensure receipt and inspection/verification of incoming materials as per the relevant quality plan wherever applicable. In case of any deficiency in quality/quantity/ documentation, the issue shall be suitably resolved with supplier before acceptance of material. No materials with inferior quality shall be accepted.</p>	R	Supply bills
3	JE/AE	<p>The JE/AE shall enter the material received in the stock register with the actual quantities of the materials received.</p>	R	Supply bills
4	JE/AE	<p><b>Submission of bill to AEE:</b></p> <p>a) The JE/AE shall record the receipt of materials (including the quantities) in the MB duly endorsing that the materials were received in good condition and were entered in the stock register and submit the bill along with MB to AEE for passing the bill. Similar endorsement shall also be made in the bill copies.</p>	D	MB
5	AEE	<p>b) The AEE shall check measure the materials received by the JE/AE regarding the make, size, quantity supplied, warranty and other documents etc., as per terms and conditions of PO/Agreement and</p>	R	Supply bill, PO/Agreement

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		forward the bill to EE with his recommendation for payment.		
6	EE	c) The EE shall check measure the materials received by the JE/AE/AEE regarding the make, size, quantity supplied, warranty and other documents etc., as per terms and conditions of PO/Agreement and forward the bill to divisional accounts section duly signed by him for payment.	D	MB, PO/Agreement/ Supply bill
7	Accounts Clerck/ AS/EE	d) Processing of supplier bill at divisional office: I. The divisional office shall enter the bill in the bill register. II. The accounts section shall thereafter verify the bill in respect of following: i) each bill submitted by supplier is against a specific supply order/ Agreement ii) A certificate by the concerned JE/AE/AEE regarding entry of the receipt of material in the stock register and MB. iii) The Accounts section shall put up the bill to the EE through the accounts superintendent for passing the bill iv) The EE shall verify all the observations and remarks of the Accounts Section if any on the points at ----- above, are satisfied and whether the payment proposed is as per Purchase Order/ Agreement conditions. The EE shall then pass the bill for payment and forward the bill for making payment at Head Office by endorsing a certificate Audited, Admitted, and passed for payment. iv) Part payment can also be released to the contractor pending approval of deviations, execution of supplemental agreement as per the instructions by the competent authority if any.	D	MB, PO/Agreement/ Supply bill

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		<p><b>Processing of Supplies Bill at Head Office for payment:</b></p> <p>a) At Head office on receipt of bill from the Division it will be entered in the Index register of Bill Register. Then the bill will be verified arithmetically and also w.r.t passes and pay order of the EE by the Accounts Clerks/ AS Head Office. On verification it shall be submitted to CAO, FA, and ED/MD for approval of Payment.</p> <p>b) On the recommendations of CAO/ FA, the ED /MD shall approve the payment.</p> <p>c) On being approved for payment by the ED/MD, the Tally Accountant shall prepare payment voucher and submit to the CAO for approval.</p> <p>d) After approval of payment voucher by the CAO, Cashier will issue cheque in favour of contractor/ transfer the amount through Telegraphic Transfer.</p>		
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The above procedure shall not normally take more than 15days.

**Documents**

- 1) Detailed Measurement Book of the work/Supplies
- 2) Division Bill Register
- 3) HO's Bill index Register
- 4) Abstract Measurement Book
- 5) Purchase order/ Agreement of work/supplies

**Approved by: Managing Director**