Internal Memo No. 904/26 – Accounts Division Dt. 16.12.2013

Sub.: Bills received late.

Suppliers are giving bills after several months / years or there are delays in approval of bills by purchase. Hereafter, limits for delay are being set to ensure that delayed bills or delayed approval from purchase shall be brought to the notice of Sambasiva Rao. He shall maintain a file for such bills. The bills are to be given credit in the books of accounts only after approval of M.D. Such approvals should be taken in accounts meeting held every Monday. However, JV (for approval only can be prepared by purchase for such bills.

Accountants must ensure that such bills are sent to Sambasiva Rao and not included in the list of pending bills.

Limits:

1. Bills for supplies of building material and cement /mud bricks must be submitted within 10 days of delivery.
2. For materials ordered through POs, bills must be received/approved within 30 days of delivery of material.
3. For work orders bills must be submitted/approved within 90 days from the date of work order or within 30 days from completion of work as certified in engineers advice.
4. Bills of security service, housekeeping and other maintenance services, etc., - within 30 days from the period of service provided.
5. Consultants like auditors, lawyers, architects, surveyors, chartered engineer, engineering consultants, etc., within 30 days of providing their service.
6. Bills for promotional activities like exhibitions, out of station trips, etc., where on account or petty cash has been issued – within 3 days from the date of event.
7. Local purchases of materials by sites – within 15 days of purchase.
8. Cash purchases by purchase division – within 7 days of purchase.
9. All other petty cash accounts – to be settled every 15 days.
10. Bills from advertising agencies, hoardings, event managers, printing of promotional material, etc., - within 15 days from date of event/delivery.

Note:

1. In case of supplies of building material and cement/mud bricks, if bills are not submitted within 30 days of delivery of material the amount payable for such supply shall be forfeited. Suppliers must be warned about the same.
2. In case of bills for promotional activities like exhibitions, out of station trips, etc., where on account or petty cash has been issued – where accounts are submitted after 3 days from the date of event, 50% of the expenditure shall be deducted from the person taking on a/c. / petty cash.
3. Local purchases of materials by site – bills submitted beyond 15 days – deduct 50% of bill value from project manager salary.
4. Cash purchases of materials by purchase division – bills submitted beyond 7 days – deduct 50% of bill value from purchase manager/officer/assistant salary.
5. Other petty cash accounts – if settled after 15 days from taking petty cash – deduct 10% as penalty of respective staff members salary.

Soham Modi