

## ACCOUNTS PAYABLES MANUAL

### COMMON TERMS AND DEFINITIONS

**PO. : Purchase Order:** Order document issued by Safaricom to the Supplier while ordering goods or services

**DNote: Delivery Note:** Document accompanying supplied goods issued by the supplier to Safaricom

**GRN: Goods Received Note:** Document generated electronically by safaricom upon receipt of goods as an acknowledgment of goods received against issued DNote.

**SOA: - Statement of Account; this** is a document that lists all invoices billed and yet to be paid as at request date. This should be sent to Safaricom Ltd by all active suppliers by close of the month i.e. SOA as at 31-Sept-2016 should be received by 01-Oct-2016 .Main features are ;Date of SOA ,invoice date ,invoice number ,PO. No. , invoice value, company letter head and Total outstanding Value.

**TLR :- Total Liability Report ;** This is a document that lists all open POs (values not utilized 100%) as well as any invoices issued without POs .This document should be sent by close of the month along with the SOA .

**ISupplier:** This is the Safaricom supplier portal which has all supplier information concerning POs, invoices and payments .All suppliers are to be created as users. Suppliers can forward a request to [accountspayable2@safaricom.co.ke](mailto:accountspayable2@safaricom.co.ke) and they will be assisted in registration and training.

**PO receipting:** This is whereby the requester of a service or goods acknowledges receipt of goods or services in Oracle. For goods, the requester posts a GRN and services a service receipt; this makes the PO available for invoice posting.

**PAC: Preliminary Acceptance Certificate: This** is a document issued by Safaricom to suppliers for progressive contractual services<sup>1</sup> signed/approved after achieving predetermined milestones in the contract/PO .This document is used for PO receipting and subsequent payment.

**FAC: Final Acceptance Certificate: This** is a document issued by Safaricom to suppliers to signify the end of a contractual project signed/approved after the end of the warranty period .This document is used for PO receipting and subsequent payment of final retained amount.

**AP account manager (Accounts payables account manager):** Every supplier has an AP account manager, this is usually is the supplier's primary contact concerning invoicing and payments matters. New suppliers with finance inquiries can send an email to [accountspayable2@safaricom.co.ke](mailto:accountspayable2@safaricom.co.ke) where the AP account manager can address it.

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<sup>1</sup> Progressive Contractual services: - long term civil / construction projects.

## **SAFARICOM PAYMENTS PROCESS**

- a) **PO RECEIPTING:** suppliers are required to login into the isupplier portal and view if their PO has been receipted .If PO's haven't t been receipted, the supplier should contact the requester of their goods/service and ask them to receipt the same.
  
- b) **INVOICE POSTING:** If a supplier's PO has been receipted, a supplier can then post their invoice on the iSupplier attaching copies of invoice, PO, DNote /PAC/FAC. On the portal they can check status of their invoices e.g. in process, approved etc. If an invoice has not been approved in 5 working days, the supplier should contact their AP account manager. Once invoices have been submitted on iSupplier, hard copies should be submitted to Safaricom Finance Helpdesk, HQ 1 ground floor within 48 hours of invoice posting. .
  
- c) **INVOICE PAYMENT:** For any payment to be processed a supplier is required to share their TLR and SOA by close of every month. All normal payments i.e. terms 30 or 60 days are paid by the 15<sup>th</sup> of every month (bank funds transfer) which may take a day or 2 to reach the suppliers bank account. Invoices are paid on the 15<sup>th</sup> of the due month e.g. if the supplier posts invoice on isupplier on the 31 Sept 2016 and their terms are 30days, they will be paid on the 15<sup>th</sup> Oct 2016, If the supplier posts an invoice on the 1<sup>st</sup> Oct 2016 their payment will fall due on 15<sup>th</sup> of Nov 2016 .Once payments are complete the supplier can download their remittance advise from isupplier. The supplier will also get their Withholding Tax and Withholding VAT certificate from KRA iTax on the 20<sup>th</sup> of the subsequent month.
  
- d) **CHANGE OF BANK DETAILS REQUESTS:** Safaricom has an elaborate process for change of bank details, in case a supplier needs to change their bank account details they need to send an email request to their account [manger / accoountspayable2@safaricom.co.ke](mailto:manger / accoountspayable2@safaricom.co.ke) informing them of their intention to change bank details we will then send them the forms and process.
  
- e) **EARLY PAYMENT DISCOUNTS:** Safaricom may process supplier payments early if suppliers offer early payment discounts based on our policy i.e. 1% for 15 days, 1.5% for 30 days and 3% for invoices due in 60 days.