



PACKAGES LIMITED

Lahore - 54760
December 8, 2017

CIRCULAR

COMPLIANCE WITH STANDARD TURNAROUND TIMES FOR PROCESSING OF INVOICE PAYMENTS TO VENDORS

In order to ensure that payments to vendors are made on a timely basis, standard turnaround times for processing of invoice payments to vendors have been agreed and defined in the enclosed document.

The personnel involved in the processing of payments are advised to comply with the time limits specified against each activity and the Departmental Heads / Business Unit Managers are advised to ensure that the activities pertaining to their function are being performed within these time limits.

The concerned procurement function should also ensure that before forwarding the invoices to Accounts department for releasing payment to the vendor, all the requirements of "Annexure A" to the enclosed document have been fulfilled.

Waqas Munir
Head of Internal Audit



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Standard turnaround times for processing of invoice payments to vendors

Activity	Department responsible	Standard Turnaround times
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Goods - locally purchased:

Upon receipt of invoice from vendor → Invoice verification and Invoice parking by Procurement Function	Procurement Function	10 days / 8 days*
Approved & parked invoice + other supporting documents forwarded by Procurement Function to Purchase section in Accounts department		
Invoice posting by Purchase Section in Accounts Department which will forward all the concerned documents to Cash & Bank section in Accounts Department for processing of payment (Cash & Bank section will make payment to vendor as per due date, keeping in view the remaining credit period)	Accounts Department	5 days

Services - locally procured:

Upon receipt of invoice from vendor → Invoice being forwarded by Procurement Function to user department	Procurement Function	Within 2 days of receipt of invoice from vendor
User department → Preparation of Service Entry Sheet (SES), release of SES upon satisfactory receipt of services, giving requisite approvals on invoice and then forwarding all the concerned documents to Procurement Function	User Department	5 days
Invoice parking and examination of supporting documents and forwarding all the concerned documents to Purchase section in Accounts Department	Procurement Function	5 days
Verification of the documents and posting of invoice by Purchase section in Accounts Department and forwarding complete set of documents to Cash and bank section in Accounts Department for processing payment (Cash & Bank section will make payment to vendor as per due date, keeping in view the remaining credit period)	Accounts Department	5 days

Services - foreign:

Upon receipt of invoice from vendor → Invoice being forwarded by Procurement Function to user department	Procurement Function	Within 2 days of receipt of invoice from vendor
User department → Preparation of Service Entry Sheet (SES), release of SES upon satisfactory receipt of services, giving requisite approvals on invoice and then forwarding all the concerned documents to Procurement Function	User Department	5 days
Preparation of Payment Request (cover letter) and forwarding the cover letter, alongwith other documents received from user department, to Inventory Section of Accounts Department	Procurement Function	5 days
Verification of documents by Inventory Section of Accounts Department and approval of the same from ACOA	Accounts Department	5 days
Posting of invoice by Inventory section after approval from ACOA and forwarding all the documents to Cash & Bank section of Accounts Department for processing payment (Cash & Bank section will make payment to vendor as per due date, keeping in view the remaining credit period)		

* Within 8 days of receipt of invoice in cases where credit period of 15 days has been allowed by the vendor and within 10 days of receipt of invoice in cases where credit period exceeds 15 days.



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Please note that these turnaround times have been defined to ensure timely payments to vendors. It has been assumed that all the documents required to be processed before receipt of invoice from vendor have been processed by concerned departments in line with the standard process flow of Purchase & Payables Management.

The concerned procurement function should ensure that before forwarding the documents to Accounts Department for releasing payment to vendor, all the requirements as per "Annexure A" have been fulfilled.

Date: November 15, 2017

Supply Chain Manager

Manager Procurement - Flexible

Comptroller of Accounts

Business Unit Manager - Consumer Products

Business Unit Controller - Consumer Products

Business Unit Manager - Flexible

Business Unit Controller - Flexible

Business Unit Manager - Folding Carton

Business Unit Controller - Folding Carton



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Annexure A

Requirements of invoice to be considered while processing invoice/bill

1	Invoice should be in the name of Packages Limited
2	NTN of vendor as well as Packages Limited should be mentioned on Sales Tax Invoice
3	Invoice number and date should be mentioned on the invoice. Within one tax year, invoice number should not be repeated.
4	Vendor address should be mentioned on the invoice and it should match with the address as per our SAP record.
5	Vendor's name should match with the name as per our SAP record.
6	Vendor's NTN mentioned on the invoice should match with vendor NTN as per our SAP record.
7	PCT Head should be mentioned in case the vendor is a registered sales tax vendor.
8	Vendor should issue sales tax invoice if it is registered with sales tax regardless of whether he is providing zero rated supplies or exempt supplies.
9	Vendor's stamp and signature is required for any alteration on sales tax invoice.
10	In case of procurement of services, vendor should mention PNTN or SNTN.
11	Vendor should mention correct rate of sales tax as per the latest applicable sales tax laws.
12	In case of services rendered within Packages Limited (work permit), approval from IP is required.
13	In case of services rendered within Packages Limited (EOBI & Social Security), approval from IR is required.
14	Sales tax return might be required from vendor in exceptional cases.
15	Departmental Head approval is required in case of services invoices.
16	Parking of invoices shall not be made in the last two days of the month due to closing activities.
17	Credit note will be required for any rejections or rate difference in case sales tax invoice was issued.
18	Approval from Departmental Head will be required for time barred invoices.
19	Vendor should declare their invoices on FBR portal in the month of invoice irrespective of payment terms.