

QUALITY MANAGEMENT SYSTEM	POWER GRID COMPANY OF BANGLADESH LTD.					QUALITY PROCEDURES			
	TITLE: PROCEDURE FOR FINANCIAL AFFAIRS								
Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12	Page:	1	of	80

1. **Scope:** Applies to the whole of POWER GRID COMPANY OF BANGLADESH LTD.

2. **Purpose:** Planning and controlling PGCB's all financial matters as per the requirement of Companies Act' 1994 and requirements of Govt., BPDB and PGCB

1994 and requirements of Govt., BPDB and PGCB																			
SL No	Activity (including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output														
0.0	Plan Financial Affairs are grouped into following functions: <table><tr><td>Budgetary control</td><td>Revenue</td></tr><tr><td>Fund management</td><td>Procurement</td></tr><tr><td>Payroll management</td><td>Payment procedure</td></tr><tr><td>Bank reconciliation procedure</td><td>Fixed asset</td></tr><tr><td>Inventory management</td><td>Financial reporting</td></tr><tr><td>Delegation of financial and non financial power</td><td>Recognised provident fund</td></tr><tr><td>Workers' profit participation fund</td><td>Capital structure</td></tr></table>	Budgetary control	Revenue	Fund management	Procurement	Payroll management	Payment procedure	Bank reconciliation procedure	Fixed asset	Inventory management	Financial reporting	Delegation of financial and non financial power	Recognised provident fund	Workers' profit participation fund	Capital structure				
Budgetary control	Revenue																		
Fund management	Procurement																		
Payroll management	Payment procedure																		
Bank reconciliation procedure	Fixed asset																		
Inventory management	Financial reporting																		
Delegation of financial and non financial power	Recognised provident fund																		
Workers' profit participation fund	Capital structure																		
0.1	Details of procedure for each of the above functions are given below.				QF-FIN-10,11,16-21														
1.0	Budgetary control																		
1.1	Corporate planning and budgetary approval																		
1.1.1	Input Information relating to capital and revenue expenditure shall be incorporated based on previous year audited financial statements and other qualitative factors.																		
1.1.2	Concern person of corporate planning and budgetary dept. shall identify the limiting factors (For example-Revenue, Projects, Government Policy, Strategic decision).		DM/AM-P&D																
1.1.3	After identifying the limiting factors concerned official of budgetary planning division shall prepare a list of Responsibility Centre (RCs) mentioning the applicable limiting factors which will be run/taken in the coming year based on past experience. However, available resources should also be considered in this stage. Concern person shall also define short, medium and long term budget. Usually first one at this process (short) will be for one year, second (medium) covers two to five years and long term budget is prepared for more than five years.		DM/AM-P&D																
1.1.4	Prepare a budget template in line with accounting manual, financial reporting framework and Responsibility Centre-wise (RC) so that this budget covers and ensures the financial reporting requirements of its regulators and donors. This should include the following: a) Consider quantitative (financial) factors; b) Non-qualitative factors (Industry background, market risk, financial condition risk, operational risk, currency risk, potential and existing changes of policy by govt., non-operational risk and others as applicable; c) Define the Key Performance Indicators (KPI), d) Terms of reference as stated in the agreements with donors and govt. e) regulatory requirement as applicable which evaluate whether the prepared budget is an economic, effective and efficient one.		DM/AM-P&D		QF-FIN-10,11,16-21														

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	TITLE: PROCEDURE FOR FINANCIAL AFFAIRS								
Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12	Page:	2	of	80

SL No	Activity (including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output
1.1.5	Concern person must use his professional expertise and long outstanding experience when preparing budget that ensures the avoidance of budget slack and budget bias. This budget template should approve by head of planning and budgetary control and Finance. Moreover, the budget template should be split off into twelve segments which represent twelve months.		DM/AM-P&D		
1.1.6	In case of regular budget Concern person, planning and budgetary control shall send the prepared template form to the head of planning and budgetary control and Finance .If all items are correctly stated, they will approve the same and return back to the concern person.		GM FIN, DM/AM-P&D		
1.1.7	If the budget is related to contingency situation then Concern person shall prepared it as instructed by concerned official (s) and directly send to the MD or Board of Director (s) if the situation demands that.		DGM-P&D, MD, BOD		
1.1.8	Send budget template within the stipulated time (as mentioned in budget calender) to RCs outlining the budget components. If all items are covered by for the respective RCs, concern person will fill up the format and this must be sent within the time (as per budget calender) approving by Head of RCs to HO.		M/GM FIN		QF-FIN-16~21
1.1.9	Concern person, planning and budgetary control dept. shall consider the possible changes i.e., salary increment, bonus, employees related other payment, loan payment, previous year obligation that are to be paid during this budget year, special reserve as prescribed by regulatory bodies and any other cost factor as applicable.		DM/M -P&D		
1.1.10	After getting budget from RCs, planning and finance division will critically scrutinize them whether the budget template is prepared in line with PGCB external & internal requirements and its reasonableness.		DM/M FIN		
1.1.11	Concern person of corporate planning & budgetary control dept. shall prepare a master budget consisting capital budget (balance sheet items) and revenue budget (income statement items) and cash budget (inflow and outflow of cash) based on the previous year audited financial statements, in consultation with all other departments specially Accounts and Finance department and in line with the chart of accounts.		DM/M -P&D		

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	TITLE: PROCEDURE FOR FINANCIAL AFFAIRS								
Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12	Page:	3	of	80

SL No	Activity (including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output
1.1.12	After preparation of the master and functional budget, it will be sent to head of planning and budgetary control and finance & accounts dept. for any changes thereof as per PGCB and donors requirements and if there is no change then it should return to Concern person, planning & budgetary. The proposed budget will then be sent to the Managing Director of PGCB by Head of planning & budgetary control. MD will consider whether the proposed budget is prepared in line with PGCB external & internal requirements and its reasonableness if he satisfies, the proposed budget will then be approved and submitted to next BoD (s) meeting for final approval.		DGM-P&D MD, BOD		
1.1.13	Output Next year budget is approved				QF-FIN-40
1.2	Budgetary reporting process Input Collect actual cost data from RCs including HO.				
1.2.1	Within 5th of the following month, concern person, corporate planning and Accounts dept. shall collect actual cost data from respective RCs.		DM/M-ACC & P&D		
1.2.2	Having received actual data, concerned officer shall perform analytical procedure between last month expenditure with current month (line item wise) and identify the variances.		DM/M -ACC & P&D		
1.2.3	Using 'Management by exception' only significant variances will be considered for further control action ignoring the immaterial variances. When this variance is related to RCs, after identifying variance it shall immediately be sent (within 10th of the following month) to them and concerned RCs will give written or through email their response within three (3) working days whether those variance are significant or not. If those variances are related to RC-HO, within 10th days of the following month concerned officers shall give their response.		DM/M -ACC & P&D		
1.2.4	After getting explanation from respective RCs including HO, concern person of planning and accounts dept. shall prepare a summary of variance including explanation and draft a report only incorporating significant one		DM/M -ACC & P&D		
1.2.5	Prepared draft report shall be communicated to the head of cooperate planning and accounts. Both heads of planning and accounts dept. shall consider not only the budgeted and actual cost but also oversee the bank reconciliation statement and other supporting document as required to identify the main reason of that variances of the concerned RCs including head office.		DM/M -ACC & P&D		

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	TITLE: PROCEDURE FOR FINANCIAL AFFAIRS								
Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12	Page:	4	of	80

SL No	Activity (including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output
1.2.6	After considering all relevant factors, the report should be finalized by the concern person of accounts and planning dept. as instructed by head of accounts and corporate planning.		GM FIN, DGM P&D		
1.2.7	Head of finance shall finally oversee the necessary changes as instructed by head of accounts and finance and shall report to MD within 20th of the following month.		GM FIN, DGM P&D		
1.2.8	MD shall go through the whole report and after evaluating, he may recommend for further changes or drop the issue raised.		MD		
1.2.9	After incorporating the recommendations of MD by concern person of accounts and planning, the report will be again submitted to the MD and he shall send the report to the Board of directors for final authorization to resolve this issue.		M/DM P&D, ACC		
1.2.10	Board of Director shall have right to drop the issue from final report or take initiative how to reduce this issue by placing effective control tools. BoDs also direct the management to take immediate action as they think fit for the issue and GM must ensure that such issue will not be placed in future.		MD, GM FIN		
1.2.11	Output Management must take control action so that significant Variances may not be raised and that control action may be used as a control tool for next month or year budgeting and reporting process.				
2.0	Revenue				QF-FIN-31,32
2.1	Receivable selection and management Input Collect preliminary data form different parties by Power Grid Company of Bangladesh (PGCB) including Bangladesh Power Development Board (BPDB).				
2.1.1	The top level management of PGCB communicates with BPDB with a view to receive the price which was determined by Govt. from time to time. Worth mentioning that it is the solely discretion of the Govt. to determine the price which represents a single rate to be charged for whole the country until the next official order being received.		MD, CS		
2.1.2	After receiving the price from BPDB, PGCB circulates the rate as mentioned in the previous process to its different offices which will be the conclusive rate subject to the necessary modification/changes by Govt. from time to time.		MD, CS		
2.1.3	PGCB requested to their prospective customer/receivable (s) to submit the following necessary documents. i. Memorandum & Article of Association II. Incorporation certificate III. Latest audited accounts IV. Copy of VAT registration and TIN certificate V. Copy of trade license		GM FIN, M ACC/FIN		

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	TITLE: PROCEDURE FOR FINANCIAL AFFAIRS								
Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12	Page:	5	of	80

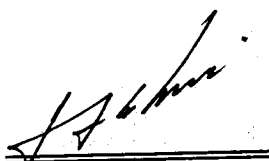
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2.1.4	After receiving and reviewing the documents, PGCB top level management make contract/agreement with new/prospective customers. Each agreement must be complied with all the Govt., BPDB and PGCB requirements which may be subject to necessary modification/changes from time to time and they must also be liable to comply with this.		MD, CS		
2.1.5	All documents received from selected/fixed customers are uploaded by assistant manager, accounts of head office in the accounts receivable module and a system generated customer identification number is allocated to the each customer which distinguishes each from others. This information is preserved in the system.		AM ACC		
2.1.6	New transaction, a separate part of the receivable module, is used for all financial transactions (recognition and collection of receivable) which are directly linked with General Ledger (GL). All types of financial transactions will be inputted in this part and after providing input customer, invoice and month wise system generated report can easily be produced using different options under this module.		AM ACC		
2.1.7	If any customer related information is changed and if it is related to existing customer then updates the related receivable information in the receivable central database.		AM ACC		
2.1.8	If information is related to new customer then comply the steps from 2.1.3 to the next except 2.1.6 (allocated only for new customer).		AM ACC		
2.1.9	Output Central database for accounts receivable is created and updated.				
2.2	Recognition General Overview As revenue/service charge (most important limiting factors) is the most significant part to operate/run other functions economically, smoothly and efficiently, PGCB must have better control over this material affair of the organization. It is as much as substantial that whether an organization will sustain, significantly depends on it. Input Data received from different offices and monthly invoice is prepared accordingly.				QF-FIN-31
2.2.1	PGCB should determine the nature of revenue which may be wheeling charge, rental charge from optic fiber or others		M ACC		


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	TITLE: PROCEDURE FOR FINANCIAL AFFAIRS								
Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12	Page:	6	of	80

SL No	Activity (including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output
2.2.2	In each month, a separate committee will be formed by the PGCB top level (By Board of Directors/Executive committee) consisting three members of which two members from PGCB (one from Metering Division and another from concern local office) and another one from BPDB.		MD/CS, D FIN		
2.2.3	The committee will quantify the units of power transmitted through PGCB line under each area office. Usually, to calculate the current month units of transmitted power, previous month units to be deducted from cumulative units of power shown in the respective meter. Current month power transmission to be documented in the prescribed sheet of PGCB and BPDB with the signature of each committee member. After completing the field level activities, attaching signature of respective director of the area office, the signed prescribed sheet will be sent to the head office to record the document in the central database which will be the evidence of revenue of the concerned offices for that month.		Head of Committee, Area office Director		
2.2.4	The assistant manager, accounts of the concern area office will be responsible to follow this process but ultimate responsibility goes to the concern office Director/head of that office. Each sheet must be reviewed by manager, accounts of head office and preserved it in his own custody as future evidence. [Responsible-Director, Assistant manager, Accounts of respective Area office, and Manager, Account-Head Office]		FD, M ACC, H.O AM ACC (respective area office)		
2.2.5	At present there are two types of revenue of PGCB. One generated from wheeling charge and another from optic fiber rental charge. The assistant manager/Jr. assistant manager, accounts of respective area office will prepare the invoice for wheeling charge based on units of power transmitted multiplying by the rate as mention in the previous process (receivable selection). After preparing the invoice, the invoices must be approved by concerned director of the area office. The preparer will recognize the revenue at this stage and accounted for accordingly. All those documents to be transferred to Manager, Accounts dept. of Head Office <u>within the from the preparation of invoice</u> . However, previous as given by committee can also be transferred along with these documents to minimize the administrative cost.		D, AM ACC of respective Area office		QF-FIN-32


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	TITLE: PROCEDURE FOR FINANCIAL AFFAIRS								
Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12	Page:	7	of	80

SL No	Activity (including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output
2.2.5 (contd)	For rental charge from optical fiber to different mobile operator, a separate invoice shall be prepared by assistant Manager, Account of head office based on the basis of agreement made between PGCB and them. This invoice must be approved by Manager-Accounts and GM Finance separately. A separate excel spreadsheet shall be prepared mentioning the following information: i. Name of receivables ii. Area covered iii. Date of quantify the current period transmitted power (units) for which invoice to be prepared iv. Cumulative power transmission (units) as per meter v. name of the committee member vi. Agreement rate per unit vii. VAT amount (incase of rental charge from optic fiber) viii. Tax amount (if any)		AM ACC of Head office GM FIN, M ACC		QF-FIN-31
2.2.6	The manager, Accounts of head office will forward those documents to the audit dept. for verification of the process and attached supporting documents. After verifying those, the assigned assistant manager of audit dept. will attach a seal mentioning "Audited".		M ACC, DGM ADT		
2.2.7	The assistant manager/Jr. assistant manager, accounts of Head office will also update the account receivable module with the help of Assistant Manager, Accounts of area office. He also must ensure that the revenue and account receivable amount are same of all offices taking consolidated and individually (Location wise) statement of revenue to fulfill the Bangladesh Accounting Standards (BAS-18) and Bangladesh Financial Reporting Standards (BFRS) as adopted by Institute of Chartered Accountant of Bangladesh (ICAB).		AM ACC		QF-FIN-32
2.2.8	Output Revenue is recognized and accounts receivable module is updated accordingly.				QF-FIN-31~32
2.3	Collection from receivable Input As mentioned in the previous process, the prepared invoice to be sent to the receivables.				
2.3.1	The prepared invoice to be sent to the concern receivable within two working days from the preparation of the invoice by the Assistant Manager, accounts of the concern office and accordingly an 'acknowledgement receipt' also to be preserved that the invoice has been sent on time to expedite collection procedure. Otherwise the said manager will be liable to breach his duty.		AM ACC of Area Office		

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	TITLE: PROCEDURE FOR FINANCIAL AFFAIRS								
Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12	Page:	8	of	80

SL No	Activity (including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output
2.3.2	After two working days from sending the invoice, the said Assistant Manager will communicate with the respective receivable to collect information regarding the deposit of the invoice amount to their designated bank (HO central bank account). Moreover, he shall also inform manager, accounts of head office electronically (e-mail) about the collection procedure that he gathered in this respect so that proper step can be taken if circumstance desires that. Whatever the situation, he shall also inform his Director, the head of the concern area office.		AM ACC of Area Office		QF-FIN-01, 32
2.3.3	In case of regular receive where invoiced amounts are regularly deposited in the HO central bank account as mentioned in the respective invoice by receivable (normally deposited within three working days) without any negotiation then the said manager will inform head office regarding the collection and his bank position at that date and accordingly update account receivable module and other general ledger. However, through the current financial information system, HO can easily receive information about his books of account.		AM ACC of Area Office		QF-FIN-5,6,32
2.3.4	The Assistant Manager, accounts of area office shall also update a excel spreadsheet incorporating the below mentioned information: i. Name of receivables ii. Cheque/DD/PO date and number iii. Name of bank and deposited amount iv. Deposit date and month		AM ACC of Area Office		QF-FIN-32
2.3.5	If alternative situation is arisen then the area offices and HO will on prompt basis communicate with the concern receivable. All communication must be documented for future legal action, if required.		M ACC HO, AM ACC of Area Office		
2.3.6	If there is any difference between the process no 2.3.3 to 2.3.5 then the Assistant Manager shall prepare a reconciliation statement with reason thereof. The reconciliation must be approved by concern director of the area office and that reconciliation statement must also to be sent to the head office within two working days from preparation.		D,AM ACC of Area Office		
2.3.7	In case of wheeling charge and for rental charge if there is any difference between 2.3.3 and 2.3.5 then a reconciliation must also to be prepared by Assistant Manager, Accounts of head office and that must be approved by Manager, Accounts and GM Finance separately.		GM FIN, M ACC, AM ACC		

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	TITLE: PROCEDURE FOR FINANCIAL AFFAIRS								
Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12	Page:	9	of	80

SL No	Activity (including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output
2.3.8	Output The receivable is collected through HO central bank accounts and receivable module and other related general ledger are updated.				QF-FIN-1,5,6,32
2.4	Write-offs and recovery Input Analyze whether concern receivables are considered as delay payer or not pay at all.				
2.4.1	The Assistant Manager, Accounts of area office and HO (account dept.) shall analyzes the database to categorize those receivables who are required to give payment-reminding notice/letter. This analysis shall be prepared mentioning the date (outstanding receivables in terms of days) for which the invoice amount is not yet received although it is due to them as per contract.		AM ACC HO, AM ACC of Area Office		
2.4.2	After forty five (45) days from sending invoice, the said manager shall issue a notice/reminder letter to pay the outstanding amount and avoid the permanent disconnection of power transmission. If positive response is received then the amount to be received through central bank account for receivable collection as mention in the collection process.		AM ACC of Area Office		
2.4.3	If no response is found, in this cases after sixty (60) days, he shall issue another reminder letter referring the terms and condition as envisaged in the contract.		AM ACC of Area Office		
2.4.4	If still there is no response found in this regard, the Assistant Manager shall review the bad debts policy as enumerated in the Accounting Manual under financial policy paragraph. He shall also inform all information the manager, accounts of head office and his director of the same area offices. For getting head office permission, he shall send the necessary documents to the head office, Manager-Account for final approval.		AM ACC of Area Office		
2.4.5	Manager, Accounts of head office shall send it to the GM Finance for getting approval to account for bad debts. GM finance shall scrutinize those documents and communication and if he satisfies then will recommend to account for the amount as bad debts against the concern receivables which may be partial or full.		GM FIN, M ACC HO		
2.4.6	The Assistant Manager, Account of both offices, shall then account for that amount as bad debts giving a journal entry. He also responsible for every month provision for bad debts (created one year earlier) which is written off against accounts receivable.		AM ACC HO, AM ACC of Area Office		QF-FIN-06

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QUALITY MANAGEMENT SYSTEM	POWER GRID COMPANY OF BANGLADESH LTD.					QUALITY PROCEDURES			
	TITLE: PROCEDURE FOR FINANCIAL AFFAIRS					Page:	10	of	80
Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12				

SL No	Activity (including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output
2.4.7	To account for recovery of any amount from previously accounted for as bad debts, the following steps to be followed: First cancel the previous bad debts amount then update the bank book for collected amount and receivable module also.		AM ACC HO, AM ACC of Area Office		QF-FIN-06
2.4.8	Output: GL and accounts receivable module is updated by creating provision for bad debts and adjustment thereof and by writing off one year old provision.				QF-FIN-32
3.0	Fund Management				QF-FIN-22-25,29
3.1	Cash management Input Funds received against accounts receivables, encashment of fixed term deposit (FDR) or availing Overdraft (OD) facilities, and interbank transfer.				
3.1.1	PGCB has several banks as its financial collection points. Collection amount against receivable from various bank accounts are transferred to Operational Bank Accounts as per banking arrangement among PGCB and its banks. Concerned Official of Finance/Accounts Dept. (AD) collects bank balances from bank statements through online banking system of these banks. In case of other banks, he confirms balances over telephone or e-mail/fax or other standard mode of communication. He plots bank wise balance information in daily fund position statement and then aggregates total cash balances.		AM ACC		
3.1.2	Concerned official of Finance/Accounts Dept. gets notification through email for both local procurement and non-procurement payment of invoices for a particular day. He also gets invoices which needs to be paid for that date from different departments and divisions. Expenses for a particular day is estimated based on these email notification and invoices. Payment regarding L/C endorsement for the said day is received from procurement dept.. Total payment amount is plotted in the daily fund position statement.		AM/DM ACC/FIN M PRO		
3.1.3	After aggregating total collection and outgoing payment, he nets off the two figures and determines the cash balance which might either be surplus (positive cash balance) or deficit (negative cash balance) for the said day		AM/DM/M ACC/FIN		
3.1.4	To meet the outflow of fund from particular bank A/C as per fund requisition, concerned official of Finance/Accounts Dept. makes arrangement to transfer fund from respective bank A/C to another bank A/C through issuing a letter / Cheque to the bank authorized by two designated signatories as per Board resolution.		AM/DM/M ACC/FIN		

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Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12	Page:	11	of	80

SL No	Activity (including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output
3.1.5	In case of surplus fund, it is invested in term deposits based on rationality against the fund as unused excess fund.		M FIN		
3.1.6	If overdraft facilities is taken, PGCB should bear the specific rate of interest as agreed with bank and accounted for accordingly		MFIN		
3.1.7	When the daily cash flow balance shows deficit and comparative calculation between taking OD facility and releasing fixed term deposits (FDR) indicates that it will be more cost effective to release term deposit, term deposit is released to make up for the deficit.		GM FIN, MD/CS		
3.1.8	When comparative calculation shows that it will be a prudent decision, in terms of funding cost, to avail overdraft facilities instead of releasing term deposit, bank OD facilities are taken to make up for the deficit of fund		GM FIN, MD/CS		
3.1.9	Whichever arrangement is taken for making up the deficit, managed required amount is transferred to operating bank account (STD account). Then daily cash flow statement is updated by incorporating the amount as collection.		GM FIN, MD/CS		
3.1.10	Output Due payment is made and calculated surplus funds are invested in short term fixed deposit receipt (FDR)				QF-FIN-04,29
3.2	Loan Management (Local and Foreign) Input: PGCB takes initiative through govt. Agency for taking loan and after negotiation, agreement is made and disburse fund accordingly.				
3.2.1	The concerned person of planning division should prepare the Preliminary Development Project Proposal (PDPP) mentioning estimated cost based on past experience. The manager should consider the nature of project to be undertaken and related components/elements of budgetary control in line with the PGCB's master budget.		DGM P&D, GM project, DGM Tech		
3.2.2	Director of planning division will send PDPP to head of planning. After rigorous review by him planning, he may propose some changes which relates to the respective proposed project. If all issues are incorporated in accordance with the PGCB's external and internal requirement then he will authorize it and send to the Managing Director (MD).		D P&D, GM project, DGM Tech.		

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Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12	Page:	12	of	80

SL No	Activity (including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output
3.2.3	After review of PDPP, MD may give some changes or approve that and send back to Director of planning. If the loan is taken from Govt. or Foreign donors through Govt. then straight line process will be applicable but in case of fund financed by financial institutions then separate left alignment process will be applicable and accordingly PGCB should submit the PDPP to financial institutions and after negotiation of terms and conditions with Financial institutions, agreement will be signed between PGCB and the said financial institutions.		MD, D P&D		
3.2.4	Director of planning should submit the PDPP to Power division, Ministry of Power, Energy and Mineral Resources (MPEMR); planning division and Economic Relation Division (ERD) of govt. within stipulated time, if required		D P&D		
3.2.5	After getting PDPP as submitted by PGCB, power and planning division review and approve it accordingly if all items are reasonable and covers all requirements as stated in the circular for the proposed project.		D P&D		
3.2.6	Economic Relation Division (ERD) searches donors in accordance with PDPP requirements and communicates the salient features of the PDPP with donors as submitted by PGCB		D P&D		
3.2.7	Donor will express their interest to implement the project and communicate with ERD to finalize the cost of project. Accordingly ERD communicate with PGCB and request to send the cost of the proposed project		D P&D		
3.2.8	ERD itself will negotiate the proposed cost package and implementation schedule with donors. ERD requests PGCB to submit the Revised Development Project Proposal (RDPP). In the mean time, ERD determine terms of conditions and signs the Memorandum of Understanding (MoU) & Minutes of Discussion (MoD) with donors.		D P&D		
3.2.9	PGCB prepares and sends the Revised Development Project Proposal (RDPP) to power division and planning division as per proposed changes of terms and conditions of agreement made with donors by Govt.. After review the RDPP, Power division and planning division will finalize the project including estimated cost. RDPP is submitted to Executive Committee of the National Economic Council (ECNEC) by power and planning division for approval and after reviewing the RDPP, it gets approval from ECNEC.		D, DGM, M P&D		
3.2.10	After getting approval from ECNEC, govt. will sign the agreement with PGCB and fix up the terms and references as determined at previous stage		D P&D		

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QUALITY MANAGEMENT SYSTEM	POWER GRID COMPANY OF BANGLADESH LTD.					QUALITY PROCEDURES			
	TITLE: PROCEDURE FOR FINANCIAL AFFAIRS								
Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12	Page:	13	of	80

SL No	Activity (including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output
3.2.11	If the loan is funded by Govt. itself PGCB prepare a fund requisition to release fund from govt. treasury but if the loan is taken from donors directly through govt. then PGCB only certify the contractor's invoice raised by the contractor as per terms and conditions of vendors' agreement selected by PGCB. After certifying the invoice (raised by contractors) by PGCB, donors will directly disburse the fund to the contractors own bank accounts. PGCB only maintains a control sheet for this fund as disbursed by the donors and accordingly necessary accounting entries should pass in the accounting system. This fund represents 100% loan financing for the PGCB and to be repayment as per terms and conditions as stated in the agreement.		M ACC&FIN, GM FIN		
3.2.12	Output: Agreement is signed with Govt. for the proposed project.				
3.2.13	Input: After signing agreement with Govt., PGCB submits fund requisition in the prescribed format complying terms and conditions as stated in the agreement				
3.2.14	In case of loan from Govt. PGCB sends fund requisition to the Power Ministry to release fund on quarterly basis in supporting to the concerned project. If it fund finances by financial institutions then PGCB submits separate fund requisition as per terms and conditions. [AM, M FIN		
3.2.15	The fund requisition should transfer to the audit dept. for further verification and sent back to the concern dept..		M FIN		
3.2.16	After verification by audit dept. PGCB should submit the fund requisition to the said financial institution to disburse fund and if all terms and conditions are fulfilled by the fund requisition submitted then fund accordingly disburses to the PGCB bank account.		M ADT		QF-FIN-05
3.2.17	After receiving fund requisition, Power Ministry verifies the fund requisition and issue a Govt. Order to release fund to Finance Ministry.		M FIN		
3.2.18	Finance Ministry accepts the Govt. order and issues a cheque in favour of PGCB.		M FIN		
3.2.19	PGCB presents cheque issued by Finance Ministry and receive fund accordingly. This fund is represented by 60% and 40% as equity and loan respectively which is supposed to pay in forty (40) equal installment within twenty (20) years.		M FIN, DM/M ACC		QF-FIN-05
3.2.20	Output: GL is updated and invoice value & related charges are taken as inputs for Capitalization				QF-FIN-05

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QUALITY MANAGEMENT SYSTEM	POWER GRID COMPANY OF BANGLADESH LTD.					QUALITY PROCEDURES			
	TITLE: PROCEDURE FOR FINANCIAL AFFAIRS								
Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12	Page:	14	of	80

SL No	Activity (including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output
3.3	Investment & Related Interest Input Investible amount is identified out of projected excess cash balance from daily cash management process.				QF-FIN-29
3.3.1	Excess cash balances represent the amount of fund that are expected to be excess over total estimated cost of expansion as per business plan along with working capital requirement. Comparative analysis of Interest income from STD account and interest income from investment (short term fixed deposits-FDR) is the basis of determination of the amount to be invested in the form of FDR. However, sometimes even if excess cash balance exists, PGCB may not invest. This depends on overall business expansion plan/ other considerations.		DGM/M FIN		
3.3.2	After determining the amount that will be invested, PGCB management selects bank where investment shall be more secured and will ensure the best interest for PGCB. Based on credit rating of the concerned bank or financial institution as approved credit rating agency by Bangladesh bank, terms and condition offered, applicable rates, reputation of concerned banks, others criteria stated in investment policy, the Accounts and Finance dept. selects bank(s).		GM FIN		QF-FIN-29
3.3.3	Formal letter of investment taking (fixed deposits scheme) is issued to selected bank. The letter is signed by two authorized signatories. In case bank's credit rating falls below the standard, it may be accepted by PGCB or it has the right to withdraw the money		GM FIN, MD		
3.3.4	The fund transfer bank advise is signed by two authorized signatories as per delegation of Financial Power (DFP) or Board of Directors approval as the case may be. Then at PGCB end, accounting entry is passed to book the amount in investment (FDR) account by crediting the STD/operational account.		DM/ AM ACC		
3.3.5	Upon receiving a formal letter of approval from PGCB, bank issues investment (FDR-Fixed Deposits Receipt) certificate/ or advice. Investment (FDR) advice is the prima facie evidence of the deposit scheme (i.e. investment instrument).		DGM/ M FIN		
3.3.6	Interest income is recognized as income in the system on monthly basis and is calculated on day basis considering prevailing interest rate.		DM/AM ACC		
3.3.7	Records of actual investment (FDRs) maintained in the excel file is reconciled with corresponding investment amount reported in the financial statement generated from system.		DM/AM ACC		

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QUALITY MANAGEMENT SYSTEM	POWER GRID COMPANY OF BANGLADESH LTD.					QUALITY PROCEDURES			
	TITLE: PROCEDURE FOR FINANCIAL AFFAIRS								
Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12	Page:	15	of	80

SL No	Activity (including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output
3.3.8	Investment (FDR) might be liquidated either before maturity date or on maturity date. Generally, investment (FDR) is liquidated before maturity date to make up for deficit in daily cash balance or fund shortage when the projects are implemented. Sometimes, a general clause is provided as maturity instruction in investment (FDR) that upon maturity the investment deposit (FDR) shall be renewed for further certain period at prevailing interest rate. Otherwise, PGCB could release investment (FDR) on maturity to ensure best use of fund. In all the cases of liquidation before maturity or recalling on maturity and/or reinvestment on maturity, appropriate accounting entries are passed to release investment (FDR). In addition, in case of reinvestment on maturity, entry is passed to book renewal amount as investment (FDR).		GM FIN, MD		
3.3.9	Output Liquidate investment (FDR) before maturity date to make up for fund crisis or liquidate on maturity date (if required) and/or reinvest on maturity date.				QF-FIN-05
4.0	Procurement General Description Procurement department of PGCB maintains a selected list of vendors for the purpose of purchase and procurement both for foreign purchase (plant & Machinery, transmission line, transformer and other electrical equipment) and local purchase (stationary, printing, construction and other consumable items).				
4.1	Supplier Management Input Purchase requisition received from various user departments to initiate the selection of required supplier.	QP-PRO-1			
4.1.1	The concern officer of procurement receives hard copies of purchase requisition (PR) from various user departments for good and supplies.	QP-PRO-1	AM/JAM PRO		
4.1.2	Procurement department performs company searching based on trade reference, advertisement, expression of interest (EOI) etc.	QP-PRO-1	M/DM PRO		
4.1.3	The suppliers are requested to submit the necessary documents to prove their legal validity, financial strength, experience etc. following is a list of collected documents: I. Memorandum & Article of Association II. Incorporation certificate III. Latest audited accounts IV. Copy of VAT registration and TIN certificate V. Copy of trade license The procurement department performs preliminary assessment to prepare a shortlist based on the above documents and ranks them and also puts points accordingly.		DM PRO		

Reviewed by (GM FIN):

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QUALITY MANAGEMENT SYSTEM	POWER GRID COMPANY OF BANGLADESH LTD.					QUALITY PROCEDURES			
	TITLE: PROCEDURE FOR FINANCIAL AFFAIRS								
Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12	Page:	16	of	80

SL No	Activity (including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output
4.1.4	After reviewing the preliminary assessment, the short listed suppliers are called for interview (if required).		M/DM PRO		
4.1.5	Procurement department requests to submit a quotation or proposal to potential suppliers and receive accordingly		M/DM PRO		
4.1.6	If required, procurement gets all quotation/proposal (s) evaluated by concerned user dept. However, quoted price is not disclosed to the user department		M PRO, user dept. M		
4.1.7	At this stage procurement conducts a comparative analysis of quotation and selects the right supplier(s) in respect of quality/price/consistency of service and/or supply etc.		M/AM PRO		
4.1.8	The comparative analysis will then send to the GM Finance to check the financial portion thereof and after confirming that it will be sent to the audit dept. for further verification.		M PRO, GM FIN		
4.1.9	Audit dept. will check the whole processes whether all have been duly Followed		DGM, M ADT		
4.1.10	Finally procurement communicates with the selected parties to negotiate the following terms: I. Price II. Discount III. Lead time to supply IV. Terms and condition of contract etc. V. Mode of payment etc. After the completion of negotiation both parties sign contract for required goods and services.		M PRO		
4.1.11	Procurement enlists the name of suppliers in the vendors' master file The copy of contract is to be sent to the concern dept. to take proper action.		AM PRO		
4.1.12	Output Selection of suppliers and updating suppliers list.				
4.2	Local Procurement Input Based on the budget, forecast, lead time, supplier base etc. user department performs an analysis and calculation, and gets it approved and then goes ahead with Purchase Requisition (PR).				
4.2.1	Purchase requisition is prepared by concerned official. It's the duty of the user to assign the Responsibility Center (RC) code while preparing PR. Concerned dept. head approves the requisition as per the guideline provided in the Delegation of Financial Power (DFP) policy. Budget clearance is done and approved by the concerned official.		M/AM User dept., AM-PRO		
4.2.2	Concerned official of local procurement unit prepares Purchase Order (PO) with all required information.		AM PRO		

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QUALITY MANAGEMENT SYSTEM	POWER GRID COMPANY OF BANGLADESH LTD.					QUALITY PROCEDURES			
	TITLE: PROCEDURE FOR FINANCIAL AFFAIRS					Page:	17	of	80
Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12				

SL No	Activity (including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output
4.2.3	Purchase Order is approved by authorized persons who have approval authority as per authority matrix i.e., DFP. The approved PO is then sent to the vendor (s) along with all the necessary papers.		DGM and/or Manager, PRO		
4.2.4	Vendors deliver goods/services with goods delivery notes/work completion certificate		M/DM-PRO		
4.2.5	Other goods are delivered at warehouse (W/H) with delivery notes. Store manager receives goods and checks with delivery notes and update relevant records.		M/AM STR & DGN		
4.2.6	Local procurement receives invoice from suppliers.		M/AM STR & DGN		
4.2.7	Output Receive invoices from suppliers and process for recognition of liability.				
4.3	Purchase Order Issue Input PR raised and approved based on the budget, forecast, lead time, supplier base etc. (user dept. performs expenditure planning, analysis and calculation, and gets it approved then goes ahead with PR raising).				
4.3.1	Purchase requisition is prepared by concerned user. It's the duty of the user to assign the Responsibility Centre (RC) code while preparing PR. Concerned departmental head approves the requisition as per guide line provided in the Delegation of Financial Power (DFP). Budget clearance is done and the approved by the concerned officials.		M/AM User dept., AM PRO		
4.3.2	Concerned official (s) of procurement Dept. checks Purchases Order (PO) with all required information (For example-Supplier name, order no, date, etc.)		AM PRO		
4.3.3	Purchase Order (PO) is approved by authorized person who has approval authority as per approved Authority Matrix i.e., DFP.		DGM and/or M PRO		
4.3.4	Procurement Dept. forwards one copy of PO to the supplier and only if required, one copy of bill of quantity (BOQ) is also sent with the PO.		AM/JAM PRO		
4.3.5	Procurement dept. receives Pro-forma Invoice (PI) from supplier which contains all relevant information of purchase order. Procurement dept. checks the authorized signature, invoice, date of preparation and other necessary information and compares it with Purchase Order (PO). PR, if everything is acceptable, they send the PO & Pro-forma invoice to Finance Dept. for L/C opening in case foreign purchase but and if it is local then issue PO to the enlisted suppliers. If there is any major discrepancy found then procurement dept. sends back the Pro-forma Invoice to the vendor for re-issue		M, DM PRO & DGN		

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QUALITY MANAGEMENT SYSTEM	POWER GRID COMPANY OF BANGLADESH LTD.					QUALITY PROCEDURES			
	TITLE: PROCEDURE FOR FINANCIAL AFFAIRS								
Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12	Page:	18	of	80

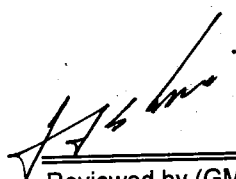
SL No	Activity (including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output
4.3.6	Output The output of the process is to record and receive Pro-forma Invoice for L/C opening in case of foreign purchase and for local purchase, issue PO to the enlisted suppliers.				
4.4	L/C Opening & follow up (Foreign Purchase) Input The input of the process is to prepare PO at receive Pro-forma Invoices for L/C opening.				
4.4.1	Finance dept. initiates to open L/C after receiving L/C opening request from Foreign Procurement (vide an internal memo documents signed by the authorized person). They also check availability of bank facilities. Finance dept. arranges insurance coverage. The finance Dept. files L/C opening form and submit it along with relevant documents to bank for opening L/C. This L/C opening request done by issuing a request letter to bank duly signed by two authorized signatories as per Delegation Financial Power (DFP).		M FIN and/or ACC, DGM and/or M PRO		
4.4.2	Bank prepares L/C documents by incorporating all terms and conditions. Then it is sent to PGCB, supplier's bank and particular Pre-shipment inspection company (PSI), if required. Head Finance dept. and foreign procurement dept. check whether the information regarding amount, date of delivery and other terms and conditions are properly incorporated in the L/C as specified in PGCB. Upon opening the L/C, Bank debit PGCB for processing fee, commission, and insurance premium etc. For completeness, appropriate accounting treatments should be given in the system.		M FIN, M PRO		
4.4.3	Foreign Procurement dept. sends a copy of L/C to supplier through fax or email for early initiation of goods supply		DGM and/or M PRO		
4.4.4	In the case of sea shipment, supplier sends original documents to the bank and bank checks whether the documents are flawless. If original documents are flawless, bank sends a clean arrival note to PGCB. If original documents contain discrepancy, bank sends arrival note to PGCB mentioning the discrepancy.		M DGN and DGM and/or M PRO		
4.4.5	In case of air shipment, supplier sends copy documents to foreign procurement department. They check the documents, marked as 'checked' and signed off. Then they forward to finance dept. for scrutiny and processing for bank endorsement along with endorsement request duly signed by the authorized person.		M/DM PRO & DGN		

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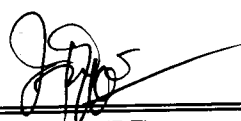
Approved by (DF):

QUALITY MANAGEMENT SYSTEM	POWER GRID COMPANY OF BANGLADESH LTD.					QUALITY PROCEDURES			
	TITLE: PROCEDURE FOR FINANCIAL AFFAIRS								
Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12	Page:	19	of	80

SL No	Activity (including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output
4.4.6	Arrival note contains a status (summary) of original documents. If the arrival note is flawless, concerned authorized signatories request the bank for endorsement. If discrepancy exists, finance dept. informs Foreign Procurement Dept. whether collect original documents from bank (for goods clearance purpose). After getting clearance from Foreign Procurement Dept, finance dept. (through concerned authorized signatories) requests bank for endorsement. For completeness, appropriate accounting treatments should be given in the system		M/DM PRO& DGN		
4.4.7	In case of copy documents (air shipment), if there is no major findings after scrutiny by finance dept., concerned authorized signatories request bank for endorsement. Bank sends the copy documents along with all necessary papers and a letter of indemnity stating that any discrepancy (s) revealed in future upon receipt of original documents will be accepted by PGCB unconditionally. For completeness, appropriate accounting treatments should be given in the system.		M/DM PRO& DGN		
4.4.8	Upon receiving necessary copy documents for endorsement (in case of shipment), bank endorses the L/C documents and issues shipping guarantee certificate with No Objection Certificate (NOC). Finance dept. collects the insurance policy from the insurer. Then all these documents are sent to Foreign Procurement dept		M FIN, DGM and/or M PRO		
4.4.9	Output The output of the process is to record invoice value in CWIP transit A/C by creating liabilities (Debts and related interest). Bank returns all papers to finance dept. and the dept. forwards the papers to procurement dept. for goods clearance purpose				
4.5	Goods Clearance Input The input of the process is to collect bank endorsed L/C documents for goods clearance				
4.5.1	Procurement dept. receives bank endorse documents from Finance department. Endorsed document include: I. Bank No Objection Certificate (NOC) II. Endorsed invoice and Bill of landing (BL) III. L/C IV. LCA (Letter of credit Authorization) V. Packing list VI. Other related documents		Finance/Acco unts and Manager, PRO		



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QUALITY MANAGEMENT SYSTEM	POWER GRID COMPANY OF BANGLADESH LTD.					QUALITY PROCEDURES			
	TITLE: PROCEDURE FOR FINANCIAL AFFAIRS								
Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12	Page:	20	of	80

SL No	Activity (including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output
4.5.2	If pre-shipment Inspection (PSI) is not required, procurement dept. (Logistic) submits the following documents to the Energy Regulatory Dept. and Power and Energy division to obtain No Objection Certificate (NOC) from them: I. Copy of invoice II. Copy of prior permission III. Copy of packing list IV. Other necessary papers		M and/or DM, PRO		
4.5.3	Procurement dept. submits the following documents to the Custom Authority for assessment of custom duty: I. Copy of L/C II. Filled bill of entry form III. Certificate of origin IV. Bank endorsed documents (BL, invoice, packing list etc.) V. PDB and Power Division NOC (for capital machinery) VI. PSI certificate (for inspected goods) Custom authority verifies and examines the submitted documents and then assesses the duty on goods imported. Manager, procurement dept. checks the calculation and custom assessment. In case of any disagreement with the assessment of custom authority, PGCB will appeal immediately for assessment.		M and/or DM, PRO]		
4.5.4	Procurement dept. collects the Bill of Entry (B/E). After checking, the B/E (to create provision) along with the voucher (for requisition of payment) is to be sent Finance Department.		M/AM PRO		
4.5.5	Accounts & Finance Dept. checks the B/E, creates invoice and passes accounting entry to create provision for custom duty in the system. Then the concerned official (s) forwards the set of documents to process cheque to the concern officer. The cheque is forwarded for disbursement and corresponding payment voucher is forwarded to finance dept. for passing payment entry against the created provision/invoice of custom duty.		AM ACC, GM FIN		
4.5.6	In addition, provision for payment of levies is created in every month by concerned official of finance, payroll and taxation. On the basis of accumulated demand notes through the year, payment is made at the end of the year. Payment entry is also created by accounts & finance dept. in the system.		DM/AM ACC		
4.5.7	Procurement dept. (Logistic) clears the goods through clearing & forwarding (C&F) agents and monitors the status of goods in transit. Then goods are sent to the warehouse.		M/DM PRO & Design		

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QUALITY MANAGEMENT SYSTEM	POWER GRID COMPANY OF BANGLADESH LTD.					QUALITY PROCEDURES			
	TITLE: PROCEDURE FOR FINANCIAL AFFAIRS								
Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12	Page:	21	of	80

SL No	Activity (including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output
4.5.8	Clearing and Forwarding agent submits bill as C & F commission to procurement dept. (logistic). They verify the bill and forwards to finance dept. along with the payment requisition voucher. Finance dept. checks the bill and creates invoice and passes accounting entry in the software to create provision for C & F commission and then forwards to concerned official for cheque issue. Concerned official processes cheque and then forwards to logistics dept. for disbursement. Corresponding payment voucher is forwarded to accounts & finance for passing payment entry.		DGM/M PRO, M ACC & Design		
4.5.9	Output The output of the process is to clear goods from customs house				
4.6	Goods receipt in warehouse through local and foreign purchase Input The input of the process is receiving of goods at warehouse.				
4.6.1	When any consignment is about to arrive at warehouse, procurement dept. gives prior notification through email to warehouse personnel about the expected date of delivery, nature of goods, mode of delivery etc.		AM PRO		
4.6.2	Warehouse receives goods physically. Physical receipt means delivery of tangible/ physical goods by vendors' shipping agent to W/H. On the other hand, some goods/services (e.g, construction or installation etc.) are received by the respective user (s) at different sites. To track all goods and services via inventory module/software, all receipt should be transacted in the system.		AM Store		
4.6.3	In case of local purchases, W/H receives consignment along with Delivery Order (DO) and Purchase Order (PO). In case of foreign purchases, W/H receives additional papers which include shipping documents and packing list. Goods are temporarily unloaded at primary location inside W/H. An initial verification is conducted by W/H to check the date of delivery, apparent condition and quantity of delivered goods against DO, PO and packing list.		M STR & DGN		
4.6.4	In case of local purchases, if any major discrepancy is found, the consignment is rejected by W/H (without receiving) and returned to supplier for fresh delivery.		M STR & DGN		

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QUALITY MANAGEMENT SYSTEM	POWER GRID COMPANY OF BANGLADESH LTD.					QUALITY PROCEDURES			
	TITLE: PROCEDURE FOR FINANCIAL AFFAIRS								
Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12	Page:	22	of	80

SL No	Activity (including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output
4.6.5	W/H receives a Preliminary Goods Received Declaration (PGRD) from giving a unique serial number after receiving each new consignment. W/H requests the concerned user through email for inspection of quality and quantity of delivered goods. PGRD number is necessary to track goods within W/H premises. A PGRD register is maintained in MS excel to keep track up the PGRDs issued. In case of foreign purchase, if any discrepancy is found, the W/H does not reject the consignment but receive it as such. W/H notifies the discrepancy on the PGRD and immediately informs procurement department for taking necessary action. This is communicated through fax/email.		M/AM STR & DGN		
4.6.6	Concerned official makes a entry of goods in the Accounting system after issuing the PGRD.		M/AM STR		
4.6.7	Concerned user (s) inspects quality and quantity of the goods received on item by item basis. For local procurement, the goods are inspected 100% if requested by the user (s) and for foreign procurement of capital machinery, packing is not opened but it is ensured that packing items are in right quantity as specified in the packing list. Procurement dept. prepares a <u>material inspection report (MIR)</u> which is signed off by the user (s) and representative of the supplier (if applicable). MIR is distributed through fax/email to the user (s) by procurement dept.		M/AM STR & PRO		
4.6.8	For the goods/services delivered to different sites, user (s) performs inspection regarding quantity and quality of delivered goods/ services. If the outcome of inspection is satisfactory, user (s) issues work /service completion certificate to vendors or otherwise the shipment is rejected.		M/AM STR		
4.6.9	If the outcome of material inspection is not satisfactory, a discrepancy report is prepared and forwarded to the procurement dept. through email for taking necessary action. In case of partial discrepancy of a consignment (foreign procurement) for items which are acceptable, the concerned official of procurement dept. makes 'Goods Acceptance' transaction in the inventory module.		M/AM, STR & DGN		
4.6.10	If the outcome of material inspection is satisfactory goods are stored in the predetermined location inside the W/H.		M/AM STR		
4.6.11	The concerned official (s) of W/H makes 'Goods Acceptance' transaction in inventory module to issue goods to sub-inventory locations.		AM/JAM STR		
4.6.12	In case of capital expenditure items (mark-able), where feasible, assets are marked by an identification number on the assets.		AM/JAM STR		
4.6.13	after storing goods, storekeeper (s) updates the respective bin card on the basis of physical count and DO.		AM/JAM STR		

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QUALITY MANAGEMENT SYSTEM	POWER GRID COMPANY OF BANGLADESH LTD.					QUALITY PROCEDURES			
	TITLE: PROCEDURE FOR FINANCIAL AFFAIRS								
Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12	Page:	23	of	80

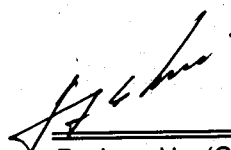
SL No	Activity (including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output
4.6.14	W/H maintains file for receiving goods to keep documents such as shipping documents, packing list, DO, PO, PGRD, MIR and discrepancy report (if any).		AM/JAM STR & PRO		
4.6.15	Output The output of the process is updating store ledger system for receiving goods.				
5.0	Payroll Management				QF-FIN-04,06,33~37
5.1	Payroll and employee master file maintenance Input New employee joining, appraisals, resignation, transfer, confirmation, etc information are collected for entry into PGCB Payroll System				
5.1.1	When any new employee joins in PGCB, He/she is required to provide all necessary information by filling up several forms. All the information and necessary documents and a copy of appointment letter (contract) are kept in a separate file (personal file) for each employee.		JAM/AM HRM		
5.1.2	Changes to the Employee status includes confirmation after probation period, job rotation, promotion, internal posting, and separation etc. In any aspect of the above, appropriate management level takes decision and confirms HR Division through written instruction		AM HRM		
5.1.3	Before updating all information (both new joiners and changes information), PGCB concerned person of HR Department verifies all information. The control is evidenced by signing the joining letter in case of new joiners. After checking the validity of changed information, related official memo/appropriate document is preserved for future reference. If any exception is noted through the verification, all those documents having errors as regards to valid approval of concerned authority or/and lack of supporting documents etc are sent back to concerned departments for necessary correction.		M HRM		
5.1.4	After verifying the information, HR department updates employees master file with various information like - Name of employee, ID, Basic salary, Gender, Joining date, Designation, Location (work station), Division, Department, Religion, Marital status, Mobile, Email, Supervisor ID, Address, Education, Experience, etc.		AM HRM		
5.1.5	HR dept. retains all valid supporting documents in hard copy for future reference		M HRM		
5.1.6	Output The output of the process is updated employees master file in the PGCB HR dept. for information about new hire, resignation etc which affect salary and other benefits.				

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QUALITY MANAGEMENT SYSTEM	POWER GRID COMPANY OF BANGLADESH LTD.					QUALITY PROCEDURES			
	TITLE: PROCEDURE FOR FINANCIAL AFFAIRS								
Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12	Page:	24	of	80

SL No	Activity (including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output
5.2	Payroll processing Input The input of the process is updating necessary information related to employees' salary and benefits.				QF-FIN-33~37
5.2.1	Payroll related additional information(for example monthly overtime, leave without pay, any special payment and any changes to the Employee status like confirmation after probation period, job rotation, promotion, increment, internal posting, and separation etc.). Authorized person of HR/ Finance department updates these information before salary processing.		JAM/ M/AM HRM		QF-FIN-33~37
5.2.2	Before salary processing, concerned official of HR/Finance dept. reconciles all information (payroll, OT/allowances) with supporting documents (e-mail/memo/office note etc.). Concerned officer of HR/Finance dept. fills-up an activity check list to ensure whether the processing is updated with correct and complete information.		M HRM, ACC		QF-FIN-33~37
5.2.3	Based on reviewed salary summary, authorized signatories (two signatories) sign off the salary payment advice).		GM FIN, DGM HRM		QF-FIN-36
5.2.4	Concerned official submits instruction to concerned bank		M ACC& FIN		QF-FIN-36
5.2.5	Finally accounts and finance dept. passes accounting entry in the Accounting system. Approver's name is recorded in the transaction history.		AM/DM ACC		QF-FIN-36
5.2.6	Output The output of this process is monthly payment (salary & other benefits) transferred to employees' bank account.				QF-FIN-04,06,33
5.3	Accruals Input The input of the process is information about accruals such as Provident Fund, Gratuity Fund, WPPF, bonus, earned leave etc.				
5.3.1	The concerned official of HR/Finance dept. collects pertinent documents for making accruals of Provident Fund (PF), Gratuity Fund (GF), Festival Bonus, Earned Leave etc (EL), such as;		AM HRM, ACC		
5.3.2	i. Trust Deed for provident fund ii. Budget for bonus and latest bonus payment schedule iii. Earned leave status report from HR and budget. Some accruals (WPPF, Incentive/Performance bonus) which are only possible to calculate on yearly basis will be incorporated at the end of the year. In case of Gratuity accrual, a separate actuarial valuation (IAS-19) of PGCB's obligation is performed by an independent actuary.		M HRM, ACC		



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QUALITY MANAGEMENT SYSTEM	POWER GRID COMPANY OF BANGLADESH LTD.					QUALITY PROCEDURES			
	TITLE: PROCEDURE FOR FINANCIAL AFFAIRS								
Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12	Page:	25	of	80

SL No	Activity (including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output
5.3.3	Based on above documents, updates Payroll maintained in the Accounting System to calculate monthly accruals for PF and bonus along with Payroll processing. HR maintains a separate Excel spreadsheet to calculate accruals for Gratuity and EL. The spreadsheet also imports PF and bonus accruals from PGCB Payroll module to ascertain total accrual for a month.		M ACC, HRM		
5.3.4	Head of HR dept. reviews the accrual sheet for accuracy and appropriateness of total accruals and approves accordingly if all are correctly stated		DGM HRM, GM FIN		
5.3.5	At the end of every month, approved accruals sheet is transferred to concerned person of Finance/Accounts dept. and he prepares JV for accruals. After reviewing it by the GM finance, he approves the said sheet.		AM ACC		
5.3.6	Finally a reconciliation of Accruals in General Ledger (GL) with PGCB payroll System and accrual calculation sheet is done to confirm accuracy of accrual in the financial statement. GL is reconciled with PGCB-payroll system to confirm PF contribution and bonus and with spreadsheet to confirm contribution to GF. This reconciliation statement is checked by the designated before GL is updated for accruals.		M and/ DM ACC		QF-FIN-06
5.3.7	Output The output of the process are accruals accounted for in General Ledger.				QF-FIN-06
6.0	Payment Procedures Employee Related Payment(Other Than Salary)				
6.1	Input The input of the process is updating necessary information of the PGCB employee Related expenses in the system.				QF-FIN-01~06,
6.1.1	Employee related information (Like-Advance, loan, Transportation expenses, etc.) includes new and existing joiners' expenses other than basic salary, arrear salary/benefits, monthly overtime (OT), incentive bonus not more than 10% of the disclosed profit, festival allowance, leave fare assistance, leave encashment, contribution to provident, gratuity and superannuation fund and any change to the Employee status (confirmation after probation period, job rotation, promotion, increment, internal posting, and separation etc.). All information related to the employee shall be inputted in the system		A/JAM HRM		
6.1.2	Before preparing a statement of expenses , concerned official of HR reconciles all information (employee related expenses) with supporting documents (e-mail/memo). Concerned officer of HRM also fills-up an activity check list to ensure whether it is duly updated with correct and complete information.		DM HRM		

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QUALITY MANAGEMENT SYSTEM	POWER GRID COMPANY OF BANGLADESH LTD.					QUALITY PROCEDURES			
	TITLE: PROCEDURE FOR FINANCIAL AFFAIRS								
Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12	Page:	26	of	80

SL No	Activity (including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output
6.1.3	At the end of every month, concerned person of HR and Accounts & Finance processes the PGCB-employee related expenses. As per unique employee ID, expenses are calculated of each employee considering necessary deductions and accruals.		DM-HRM, ACC		
6.1.4	After processing the employee related expenses for a particular month, all related data (employee wise and salary component wise) are exported in an excel sheet (in summary format). Head of HR and Accounts & Finance checks whether all data are properly input and processed. They ensure by comparing the amount/ fact mentioned in memo with the amount mentioned in the Summary Statement. If they find any discrepancy then immediately contact with Assistant manager of HR and Accounts & Finance who prepared those documents for explanation and necessary correction (if required). And then Head of HR and Accounts & Finance approves the summary statement through e-mail/written letter and afterwards physically		M HRM, ACC		QF-FIN-01-06
6.1.5	Based on reviewed summary, authorized signatories (two signatories one is Head of HR and another one should be Head of Accounts & Finance) sign off the payment advice.		GM HRM, DGM ACC		QF-FIN-01-06
6.1.6	Then the documents will be sent to Audit dept. for further inspection and after verifying by audit dept. it will be returned back to the accounts department. Finally head of finance will approves all expenses related to employees.		M HRM, AM ADT		
6.1.7	Accounts Dept. submits bank instruction to concerned bank. They also send payment instruction to cash management dept. for those who have no Bank Account.		M ACC/FIN		
6.1.8	Output The output of the process is monthly payment (employee related expenses) transferred to employees' bank account.				QF-FIN-01-06
6.2	Loan Payment Input After signing agreement with Govt. fund requisition is submitted as per terms and reference.				
6.2.1	Authorized representatives of PGCB (as per Financial Authority Matrix or as empowered by Board resolution) and lender/investor finally sign the agreement based on agreed terms and conditions.		MD/CS, GM P		

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QUALITY MANAGEMENT SYSTEM	POWER GRID COMPANY OF BANGLADESH LTD.					QUALITY PROCEDURES			
	TITLE: PROCEDURE FOR FINANCIAL AFFAIRS								
Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12	Page:	27	of	80

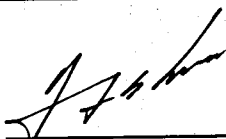
SL No	Activity (including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output
6.2.2	In case of foreign loan, PGCB only certify the invoice raised by the contractor as per authority matrix and no amount is received directly. After certifying the invoice Donor directly disburses the fund to the contractor's personal account if the contract is with local govt. then PGCB received fund directly through its designated bank account.		M FIN and/or GM FIN		
6.2.3	PGCB finance dept. places request for disbursement (by phase based on needs) to lender duly signed by the authorized signatories of PGCB. Copies of PGCB board approval, Bangladesh Bank and Board of Investment (BOI) approval, approval of PDB, relevant legal opinion are forwarded along with the disbursement request. These are required as fulfillment of Conditions of Precedent of Disbursement.		M FIN		
6.2.4	Requested fund is then transferred from lender's (Govt.) bank account to PGCB's designated bank account. Entry is passed in PGCB's accounting system to account for received fund and corresponding liability is created and posted to GL.		AM ACC		
6.2.5	After receiving fund, PGCB has to report to the lender on quarterly basis or as per agreement as the case may be regarding financials and others. PGCB is also required to provide compliance certificate of financial covenants on a half yearly basis. PGCB also submits annual report and annual monitoring report to lender as per loan/subscription agreement. In addition, concerned official of finance dept. ensures that all debt covenants have been tested and passed before the quarterly reporting to regulatory authority.		M ACC/FIN, DM ACC		
6.2.6	Although interest is paid semi-annually or monthly and repayment (both interest and principal) is made after every six months/monthly for the foreign and local loan including funded by financial institutions, interest is accrued on monthly basis and is posted to GL at every month-end.		M FIN and/or GM FIN		
6.2.7	Every month, official of Accounts and Finance dept. calculates gain/loss due to exchange rate fluctuations on foreign currency loan based on the original loan amount in BDT/Foreign currency, accumulated gain/loss due to exchange rate fluctuation and month end exchange rate and passes entry into accounting system		M and/or DM ACC		
6.2.8	Concerned official of Accounts and Finance dept. prepares repayment schedule mentioning drawdown amount, dates of repayment with interest and principal amount, remaining balance on which further interest should be calculated, maturity dates, etc		M and/or DM ACC		

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QUALITY MANAGEMENT SYSTEM	POWER GRID COMPANY OF BANGLADESH LTD.					QUALITY PROCEDURES			
	TITLE: PROCEDURE FOR FINANCIAL AFFAIRS								
Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12	Page:	28	of	80

SL No	Activity (Including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output
6.2.9	In case of foreign loan, Repayment amount is transferred to designated account as per loan/bond subscription agreement. Accounting entry is passed to reduce liability and posted to GL		M ACC/ FIN		
6.2.10	PGCB must take approval from MD or BoD for repayment of loan after getting approval, local Govt. loan only pays debt portion not equity portion but foreign is paid as per agreement and GL is updated accordingly		M ACC/FIN, GM FIN		
6.2.11	Output Repayment of loan and reporting to lender as per loan agreement				
6.3	CD & VAT Payment Input Fund requisition submit to Power ministry				QF-FIN-04,39
6.3.1	As per instruction by Economic Relation Division (ERD) PGCB submits RDPP to Power division and Planning commission to finalize the project. Accordingly, the RDPP are presented to Executive Committee of the National Economic Council (ECNEC) for approval and after reviewing, it gets approval from ECNEC.		DGM P&D, GM P		
6.3.2	After getting approval from ECNEC, govt. will sign the agreement with PGCB and fix up the terms and references.		MD/CS, GM P		
6.3.3	After signing agreement with Govt., PGCB Finance dept. prepares fund requisition and getting approval from GM finance and Managing Director it will be sent to the Power Ministry to release fund on quarterly basis in supporting to the concerned project.		M FIN, and/or GM FIN		
6.3.4	After receiving fund requisition, Power Ministry verifies the said fund requisition, if satisfied, issue a Govt. Order to release fund to Finance Ministry		M FIN, and/or GM FIN		
6.3.5	Finance Ministry accepts the Govt. order and issues a cheque in favour of PGCB		M-FIN and/or GM, FIN		
6.3.6	PGCB presents cheque issued by Finance Ministry and receive fund accordingly through its designated bank account including custom duty and VAT. It is worth mentioning that the custom duty and VAT amount are not separately calculated. This fund is represented by 60% and 40% as equity and loan respectively which is supposed to pay in forty (40) equally installment within twenty years. At this stage liability is recognized in the books of accounts.		M ACC & FIN		
6.3.7	PGCB imports capital machineries (electricity transmission equipment, transmitter etc.) from sanctioned amount which includes cost of machineries, insurance, custom duty, import duty, VAT, pre-shipment inspection, freight & forwarding and other charges as applicable		DGM PRO, P; M FIN		



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QUALITY MANAGEMENT SYSTEM	POWER GRID COMPANY OF BANGLADESH LTD.					QUALITY PROCEDURES			
	TITLE: PROCEDURE FOR FINANCIAL AFFAIRS								
Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12	Page:	29	of	80

SL No	Activity (including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output
6.3.8	PGCB calculates the custom duty and VAT amount whether there is any difference, which has been assessed at the import stage, if any difference is found it should be immediately communicated with foreign procurement dept.. Whatever the result it will be transferred to the audit department for further checking and verification.		M ACC & FIN, DGM PRO, M ADT		
6.3.9	After verifying by audit dept., it will be transferred to GM Finance and MD for final approval. If all are correctly stated and policies are complied than MD approves it and PGCB completes the internal process.		MD, GM FIN		
6.3.10	After getting approval from the Managing Director , concern official of PGCB must inform the concerned official of the regulatory authority and arrange for payment of custom duty and VAT.		M ACC & FIN		
6.3.11	Output Custom duty and VAT are paid				QF-FIN-04,05,39
6.4	Purchase Related Payment Input Receive invoice from suppliers and process for recognition of liabilities				QF-FIN-01~06
6.4.1	Invoice received from vendors fall under the following categories: I. Invoice raised not against the PO II. Invoice raised against the PO Non-PO invoices are received by the user dept. and then forwarded to finance dept. and PO invoices are received by the d procurement department. After receiving invoice related to PO, procurement dept. sorts out and classifies the invoices according to user's responsibility centre (RC)		M ACC & FIN, M PRO		
6.4.2	Procurement dept. checks the invoices with PO and PR for consistency and validity. Moreover, the concerned official of procurement dept. checks that whatever delivery notes and/or work/service completion certificate duly signed by receivers/users are accompanying with the invoice		AM PRO		
6.4.3	Upon checking if required, obtaining the user verification, if the concerned official of procurement dept. finds the invoice as satisfactory, S/he input details in a MS excel spreadsheet. The hard copy of invoice are stamped as and signed off with date by the concerned Officials of procurement dept.. Then the invoices are recorded in the invoice receipt log book maintained by the procurement dept. At each day end the invoice details XL sheet is compared with the log book and the log book is signed off by the concerned higher authority who maintained the log book of the said dept		M PRO AM PRO		

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QUALITY MANAGEMENT SYSTEM	POWER GRID COMPANY OF BANGLADESH LTD.					QUALITY PROCEDURES			
	TITLE: PROCEDURE FOR FINANCIAL AFFAIRS								
Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12	Page:	30	of	80

SL No	Activity (including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output
6.4.3 (contd)	Concerned official of procurement dept. verifies, prepares and matches the invoice with the concerned POs. Concerned official should assign manually a number at the top of the invoice		M PRO		
6.4.4	Procurement dept. forwards the invoice to finance dept. for processing and payment. Finance dept. will receive a hard copy of invoice along with necessary papers as provided by procurement dept.		M PRO		
6.4.5	Concern person of Finance Dept. will review the accounting code and tax calculation of the invoices and also checks validity and accuracy of payment. After review the invoices and corresponding supporting documents, the concerned official approves this invoice. Moreover the hard copies of the vendors invoices with necessary supporting documents and payments requisition voucher are also reviewed and checked by the concerned official of finance dept. S/he puts sign with date in the payment requisition voucher as approval. Then the hard copies will be sent to Finance dept. for payment processing.		GM FIN		QF-FIN-04
6.4.6	The authorized official of Finance dept. receives the invoices and updates the transactions for subsequent posting to GL. s/he keeps the documents for future reference after receiving the invoice from finance dept.		AM ACC		
6.4.7	PO invoices are matched with the corresponding POs by the concerned official of procurement dept.. If any invoice received by PGCB procurement dept. is not matched with corresponding PO, then the PO remains as open PO showing committed liabilities for PGCB. If this happens, then liability and assets both will be doubly shown in the books which are misleading. To avoid this short of overstating procurement dept. performs on a monthly basis. The concerned Official first collects a report on PO status from procurement dept.. extracted from system. Then s/he converts the report into excel sheet and sort out open POs from the list. As the report contains the PO preparation date, s/he prepares an Then the report is segregated into two parts as open PO foreign and local. Both the report send to the head office foreign and local procurement dept. respectively for review. While reviewing the open review of PO, the concerned official checks the justification for each PO. Based on the review, any or both of the action will be taken: I. Open PO are left open as goods/ service have not yet been received or have been received partially		M/DGM PRO, M ADT		

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QUALITY MANAGEMENT SYSTEM	POWER GRID COMPANY OF BANGLADESH LTD.					QUALITY PROCEDURES			
	TITLE: PROCEDURE FOR FINANCIAL AFFAIRS								
Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12	Page:	31	of	80

SL No	Activity (including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output
6.4.7 (contd)	II. Rectification is done (eliminating double effect from book) for those POs against which goods/services have been received partially or fully but corresponding invoices has not been matched				
6.4.8	Output Get the invoice verified, approved and ready for payment				
6.4.9	Purchase Related Payment(Continuation) Input Get the invoice verified, approved and ready for payment.				QF-FIN-01~06
6.4.10	Finance dept. transfers voucher along with supporting documents to the concern personnel for verifying compliance matters of terms and conditions of the contract and other regulatory compliance. Finance dept. also scrutinize whether all terms and conditions are fulfilled as specified in PO and compliance matters as defined in the financial policy. Concerned official of the Finance dept. signs on the vouchers and returns to the respective person for payment processing.		M ACC, DGM FIN		
6.4.11	PGCB transfer the payable amount to the suppliers' accounts who have accounts with PGCB central bank, otherwise issue account payee cheque		M FIN		
6.4.12	Based on the amount and other information in the vouchers and the attachment thereto. Finance dept. enters information into system for preparing cheque. The information includes name of beneficiaries, date of issue, amount, payment narration and break-up amount. Each cheque page divided into three parts which are general information part (acknowledgement part) and cheque (Account payee part)		AM; M/DM FIN		
6.4.13	Concern personnel of Finance dept. prints cheque on the purported copy provided by designated bank of PGCB and then forwarded it along with vouchers to respective official for cross checking name of beneficiaries, date of issue, amount, payment narration and break-up amount and the purpose of payments. After verifying the concerned official shall sign the voucher and documents.		AM; M/DM FIN		
6.4.14	Finance dept. forwards the cheques to authorized signatories for the signature on the cheque. After checking the amounts and purpose of payment, two signatories give signature on the cheques and roll it back to Finance dept.		DGM FIN		QF-FIN-04
6.4.15	Finance dept. maintains a spread sheets stating name and address of beneficiaries, amount and purpose of payment for a particular payment cycle. Finance dept. cross checks the statement with relevant vouchers.		M/DM FIN, M IT		QF-FIN-04

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QUALITY MANAGEMENT SYSTEM	POWER GRID COMPANY OF BANGLADESH LTD.					QUALITY PROCEDURES			
	TITLE: PROCEDURE FOR FINANCIAL AFFAIRS								
Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12	Page:	32	of	80

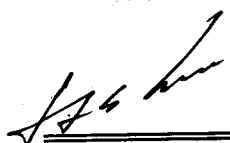
SL No	Activity (including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output
6.4.15 (contd)	The document will store in specific location of local file drive. Concerned official of Finance dept. log in online banking and command for import transaction.				
6.4.16	Concerned official of Accounts dept. runs commands for updating database and accordingly system is updated. The system shows the run result in terms of numbers, transactions entered, the aggregate amount thereof, and the aggregate amount. Banking authorities are informed through the system as soon as the database updated. Head of TD and finance dept. checks the report summary and verify through the system. The summary report will be printed and submitted to GM finance.		AM; M/DM ACC		
6.4.17	GM finance after getting all information will approve the report		GM FIN		
6.4.18	After authorization, concerned official of Accounts dept. points out the processed transactions list. Head of Finance dept. verify the list with vouchers and signs on it then forwarded to signatories for their signature. Signatories check the list and signs on it and return to Finance dept. Finally Finance dept. forwards the list to the bank		M/DM ACC, GM FIN		
6.4.19	upon receiving electronic transfer authorization, bank prepares pay order and send to PGCB to transfer the amount to beneficiaries (when applicable)		M/DM ACC		
6.4.20	On payment date Finance dept. disburses the cheque/pay order to the beneficiaries or their authorized person subject to receiving acknowledge and providing money receipt.		M/DM FIN		
6.4.21	Concerned official passes entry according to defined code in voucher. System provides distinctive transaction reference at the time of entry.		AM; M/DM ACC		
6.4.22	Output Deliver cheque/pay order to supplier. Update of Ledger. Ready for payables reconciliation				QF-FIN-04
6.5	Payment to Local & Foreign Contractor Input Fund requisition is submitted to Govt. and foreign donors as per agreements				
6.5.1	Authorized representatives of PGCB (as per Financial Authority Matrix or as empowered by Board resolution) and lender/investor finally sign the agreement based on agreed terms and conditions.		Company Secretary, MD		

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QUALITY MANAGEMENT SYSTEM	POWER GRID COMPANY OF BANGLADESH LTD.					QUALITY PROCEDURES			
	TITLE: PROCEDURE FOR FINANCIAL AFFAIRS								
Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12	Page:	33	of	80

SL No	Activity (including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output
6.5.2	PGCB search contractor as per procurement policy and select accordingly. After selection of the contractor, all supporting documents should be transferred to internal audit dept. for pre-audit inspection (compliance audit). If the process of selection of contractor is in accordance with the existing system of PGCB as specified in the Procurement Manual then the internal audit committee should stamp with " pre-audited ". Having completed pre-audit, PC will contact with contractor, determine the Terms of References (ToRs) and accordingly issue work order		DGM PRO, M ADT		
6.5.3	If agreement is foreign funded, PGCB only certify the invoice raised by the contractor. At first Head of Project certify the invoice and send to the head office finance department. GM finance certifies the invoice as per ToRs and Work Order. Since PGCB does not receive any amount in this case and accordingly no bank related entry is passed in the system rather recognize the liability and assets under construction. After certifying the invoice Donor directly disburses the fund to the contractor's personal account (vendor selection process clearly mentioned in the procurement procedure). If the contract is with local govt. then PGCB received fund directly through its designated bank account.		M/DM FIN, GM FIN, GM P		
6.5.4	PGCB Finance dept. places request for disbursement i.e. fund requisition (by phase based on needs) to lender duly signed by the authorized signatories of PGCB. Copies of PGCB board approval, Bangladesh Bank and Board of Investment (BOI) approval, approval of PDB, relevant legal opinion are forwarded along with the disbursement request. These are required as fulfillment of Conditions of Precedent of Disbursement.		M/DM FIN, GM FIN, GM P		
6.5.5	After receiving fund requisition, Power Ministry verifies the fund requisition and issue a Govt. Order to release fund to Finance Ministry. Finance Ministry accepting the Govt. order and issue a cheque in favour of PGCB. PGCB shall present cheque issued by Finance Ministry and requested fund is then transferred from lender's (Govt.) bank account to PGCB's designated bank account. Entry is passed in PGCB's accounting system to account for received fund and corresponding liability is created and posted to GL. This fund is represented by 60% and 40% as equity and loan respectively which is supposed to pay in forty (40) equally installment within twenty (20) years.		M/DM FIN, GM FIN		



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QUALITY MANAGEMENT SYSTEM	POWER GRID COMPANY OF BANGLADESH LTD.					QUALITY PROCEDURES			
	TITLE: PROCEDURE FOR FINANCIAL AFFAIRS								
Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12	Page:	34	of	80

SL No	Activity (including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output
6.5.6	After receiving fund, PGCB has to report to the lender on quarterly basis regarding financials, spread certificate and others as required. PGCB is also required to provide compliance certificate of financial covenants on a half yearly basis. PGCB also submits annual report and annual monitoring report to lender as per loan/subscription agreement. In addition, concerned official of Finance dept. ensures that all debt covenants have been tested and passed before the quarterly reporting to the regulatory authority		M/DM ACC & FIN		
6.5.7	When donor pay the foreign contractor's payment then donor will issue a payment confirmation certificate and concern official will update the GL		M/DM FIN		
6.5.8	Having received work order form PGCB, contractor will raise an invoice to the concern project office of PGCB. The Head of Project will critically analyze the components of invoice and transfer to Head Office (HO) finance department. After receiving invoice from GMD/ Project, The GM (Finance, Technical, Generation and Transmission Dept.) of PGCB will critically analyze the components of invoice raised by the contractor and certify accordingly.		M/DM FIN, GM FIN, GM P		
6.5.9	After verifying the invoice, it will be transferred to the internal audit dept. for further verification (post audit procedure). After verifying by internal audit dept. as stamped ' Post audited ' then it will be sent to Managing Director (MD) or Board of Directors (BoD) for final approval as the case may be as per Delegation of Financial Power (DFP).		M/DM ADT		
6.5.10	Having approval from MD or BoD will finally approve the invoice for disbursing fund.		MD or BoD		
6.5.11	After getting approval from MD or BoDs, fund will be directly sent to the contractor's bank account and entry will be passed in the system		AM, M/DM ACC		
6.5.12	Output Fund disbursement to contractor bank account and accounting entry is made in the system accordingly.				QF-FIN-04,05
6.6	Advance Payment to Employee Input Receive requisition from employees and process for recognition of assets				QF-FIN-12
6.6.1	Requisition preparer shall prepare a requisition mentioning the purpose of the advance to be taken in the prescribed form for each advance.		Preparer of user dept		QF-FIN-12
6.6.2	If the requisition relates to the then it is to be sent to the procurement dept. and procurement dept. shall verify the purpose of the advance for which it is to given		Preparer of user dept		

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QUALITY MANAGEMENT SYSTEM	POWER GRID COMPANY OF BANGLADESH LTD.					QUALITY PROCEDURES			
	TITLE: PROCEDURE FOR FINANCIAL AFFAIRS								
Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12	Page:	35	of	80

SL No	Activity (including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output
6.6.3	After receiving requisition, procurement dept. sorts out and classifies those requisition according to user's responsibility centre (RC) Upon checking if required, obtaining the user verification, if the concerned official of procurement dept. finds the requisition as satisfactory, S/he input details in a MS excel spreadsheet. The hard copy of requisition are stamped as and signed off with date by the concerned Officials of procurement dept.. Then the requisition are recorded in the requisition receipt log book maintained by the procurement dept. At each day end the requisition details XL sheet is compared with the log book and the log book is signed off by the concerned higher authority who maintained the log book of the said dept		JAM or AM PRO M PRO JAM, AM PRO		
6.6.4	The procurement dept. forwards the invoice to finance dept. for processing requisition and payment. Finance dept. will receive a hard copy of requisition along with necessary papers as provided by procurement dept.		M PRO		
6.6.5	Concerned official of the finance dept. receives the requisition. S/he properly validates the requisition and assigns a number on the hard copies of the payment requisition vouchers. At the same time, s/he determine the deduction amounts (VST/TDS) as applicable for the that payment. In case of e.g., Board meeting expenses the requisition directly to be sent the finance dept. and accordingly finance dept. shall verify the requisition like other payments		M FIN		
6.6.6	For , the requisition preparer shall submit his/her requisition to Human Resource Management dept. (HRM) and HRM shall scrutiny the concerned person information from database preserved in the HR module whether he/she is entitled to receive the salary advance HRM also Consider basic salary, grievance and future position of the person concerned which are directly related to Key Performance Indicators (KPIs) for future evaluation. If HRM dept. satisfies all issues relating to the concerned officer then it will be sent to the Finance dept. attaching a seal as ' for further verification. After verifying the requisition by the Manager, Finance, if he is entitled to approved, he will approve the requisition or send it to the GM, Finance for approval. Note: Any advance will not be approved until the previous one is adjusted and for control purpose an employee will not be entitled to receive any advance exceeding Tk. 10,000.		Requisition preparer and manager, HRM M HRM M FIN, GM FIN AM ACC of area office and project Director/ Head of area office		
6.6.7	In all cases mentioned above, the documents to be sent to the audit dept. for verification purpose and after verifying the all processes audit dept. shall send it to the Accounts dept. along with requisition for payment		AM ADT		

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Approved by (DP):

QUALITY MANAGEMENT SYSTEM	POWER GRID COMPANY OF BANGLADESH LTD.					QUALITY PROCEDURES			
	TITLE: PROCEDURE FOR FINANCIAL AFFAIRS								
Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12	Page:	36	of	80

SL No	Activity (including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output
6.6.8	Concern person of Finance Dept. will review the accounting code and tax calculation of the invoices and also checks validity and accuracy of payment. After review the requisition and corresponding supporting documents, the concerned official will approve this requisition and attached supporting documents and will prepare a invoice. Moreover, the hard copies of the invoices with necessary supporting documents and payments requisition voucher are also reviewed and checked by the concerned official of finance dept. S/he puts sign with date in the payment requisition voucher. The authorized official of Finance dept. receives the invoices and updates the transactions for subsequent posting to GL. s/he keeps the documents for future reference after receiving the invoice from finance dept.. Accounts dept. also responsible for print out/scan copy of the cheque/DD/PO.		M and/or DM ACC AM ACC		
6.6.9	After receiving the necessary documents the advance will be adjusted. Adjustment will be taken place for: a) store items-within three working days from payment b) Salary advance-with monthly salary payment and c) travelling and other advance- i) travelling- within two working days after returning back from travel and shall submit a travel report based on travelling (training/workshop topic or visited area) ii) Other advance- within two working days from the completion of activities for which advance was taken such as Board of directors meeting expense. Accounts dept. shall also responsible for that, the supporting documents submitted are correct and authentic and which support the true expenses for the above mentioned advance. For Further verification, Accounts dept. may get help from audit dept. as they are, by nature, specialist for the verification of the supporting documents. If he satisfies, he shall update GL and other module as applicable		AM,DM ACC & ADT		
6.6.10	Output Advance given and adjustment thereof taken place and update GL accordingly				QF-FIN-02, 04
6.7	Advance,deposit and prepayment to third parties Input Receive invoice from suppliers and process for recognition of assets				
6.7.1	Invoice received from vendors against the Purchase Order (PO) along with Purchase Requisition (PR) and that PO and PR invoices are received by the procurement department. After receiving invoice related to PO, procurement dept. sorts out and classifies the invoices according to user's responsibility centre (RC).		M ACC & FIN, M PRO		

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QUALITY MANAGEMENT SYSTEM	POWER GRID COMPANY OF BANGLADESH LTD.					QUALITY PROCEDURES			
	TITLE: PROCEDURE FOR FINANCIAL AFFAIRS								
Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12	Page:	37	of	80

SL No	Activity (including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output
6.7.2	Procurement dept. checks the invoices with PO and PR for consistency and validity. Moreover, the concerned official of procurement dept. checks that whatever delivery notes and/or work/ service completion certificate duly signed by receivers/users accompanying with the invoice. Upon checking if required, obtaining the user verification, if the concerned official of procurement dept. finds the invoice as satisfactory, S/he input details in a MS excel spreadsheet. The hard copy of invoice are stamped as and signed off with date by the concerned Officials of procurement dept. Then the invoices are recorded in the invoice receipt log book maintained by the procurement dept. At each day end the invoice details XL sheet is compared with the log book and the log book is signed off by the concerned higher authority who maintained the log book of the said dept		AM PRO M PRO AM PRO		
6.7.3	Concerned official of procurement dept. verifies, prepares and matches the invoice with the concerned POs. Concerned official should assign manually a number at the top of the invoice		M PRO		
6.7.4	Procurement dept. forwards the invoice to finance dept. for processing and payment. Finance dept. will receive a hard copy of invoice along with necessary papers as provided by procurement dept		M PRO		
6.7.5	Concerned official of the finance dept. receives the invoice. S/he properly validates the invoice and assigns a number on the hard copies of the payment requisition vouchers. At the same time, s/he determine the deduction amounts (VST/TDS) as applicable for the that payment After invoices are matched with corresponding POs by procurement dept. and checked by Finance dept.		M and/or DM ACC M and/or DM ACC, M PRO		
6.7.6	Concern person of Finance Dept. will review the accounting code and tax calculation of the invoices and also checks validity and accuracy of payment. After review the invoices and corresponding supporting documents, the concerned official approves this invoice. Moreover the hard copies of the vendors invoices with necessary supporting documents and payments requisition voucher are also reviewed and checked by the concerned official of finance dept. S/he puts sign with date in the payment requisition voucher as approval. Then the hard copies will be sent to Finance dept. for payment processing		M,GM FIN		QF-FIN-02,04

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QUALITY MANAGEMENT SYSTEM	POWER GRID COMPANY OF BANGLADESH LTD.					QUALITY PROCEDURES			
	TITLE: PROCEDURE FOR FINANCIAL AFFAIRS								
Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12	Page:	38	of	80

SL No	Activity (including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output
6.7.7	The authorized official of Finance and accounts dept. receives the invoices and updates the transactions for subsequent posting to GL. s/he keeps the documents for future reference after receiving the invoice from finance dept		AM ACC & FIN		
6.7.8	PGCB top level management shall communicate about the subject matters and negotiate with third parties for terms and conditions to be attached with the proposed agreement considering the PGCB external and internal requirements. PGCB should specially consider the Securities and Exchanges Commission (SEC) requirements as those issues are directly related to the public interest. Moreover, Donors requirements also equally to be considered and reflected in the deemed agreement.		Company Secretary, Managing director and/Board of Directors		
6.7.9	After negotiating the terms and conditions, Agreement to be made between two parties and payment to be made as per agreement which may be monthly or quarterly or once during the whole contract period. After agreement is made and when payment will be the obligation of PGCB, the agreement to be reviewed by the Manager, Accounts and prepare a summary sheet for better understanding and avoid any financial lose may be arisen from the agreement. The Accounts dept. then prepare a invoice as per agreement for payment and that invoice must be approved by Director and GM, Finance. To cover the whole process Accounts and finance dept. shall follow the steps from		M ACC, D,GM FIN		
6.7.10	Output Get the invoice verified, approved and ready for payment and accordingly GL is updated.				QF-FIN-02, 04
7.0	Bank Reconciliation Procedures				QF-FIN-04-06
7.1	General Description Major part of bank reconciliation (BR) should be prepared using bank reconciliation tools of Accounting system with the help of online bank statement and manually reconciliation should be prepared for those banks which have no online banking facilities. The GMD/Project shall prepare the BR and send it to HO (including bank statement) within 5th day of the following month approving by the concern officers of Responsibility Centre(RC) and Head of RCs After getting BR from RCs, HO concerned officer shall scrutinize the BR supporting with sufficient appropriate evidence. If not satisfied, he shall communicate with the concerned RC's official with prior approval from his/her reporting authority. In all cases, everything must be documented.				

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QUALITY MANAGEMENT SYSTEM	POWER GRID COMPANY OF BANGLADESH LTD.					QUALITY PROCEDURES			
	TITLE: PROCEDURE FOR FINANCIAL AFFAIRS								
Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12	Page:	39	of	80

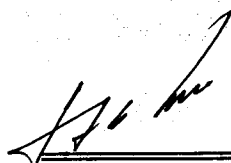
SL No	Activity (including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output
7.1.1	Input Bank balance from updated GL and bank statements are gathered for reconciliation. Every reconciliation statement must include Date and month of reconciliation, cheque no. in ascending order, Clearly mentioned the amount (financial digit) whatever the size, Employees/Parties name not in the acronym form, RCs no./location of RCs, and document type (CP=Cash Payment Voucher, BP, CR, BR				
7.1.2	After each month end, concern persons in finance department of respective RCs (H/O and GMD/Project), shall collect the bank statements within 2th day of the following month; if the 2th day is holiday then next day will be applicable for collection of bank statement. On the other hand, updated bank statements are available in online banking systems for preparation of bank reconciliation through system's reconciliation tools		JAM ACC		
7.1.3	After month closing of general ledger, concerned officials prints general ledger for gathering financial data for preparation of bank reconciliation manually. On the other hand, GL balances are available in system for preparation of bank reconciliation through system's reconciliation tools		AM ACC		
7.1.4	Concerned official identifies items for which difference arises between FS data and bank statement. Then first draft reconciliation statement is prepared by incorporating these items. For this procedure, Prepare a list of differences of debit and credit items in the bank statement not found in the bank book and separate list for differences of debit and credit items in the bank book not found in the bank statement For auto reconciliation: Reconciliation Tools of Accounting system matches each single bank transaction in GL with online bank statement. If any mismatch is identified then it is listed as reconciling item.		AM ACC		
7.1.5	In case of adjustable items that require adjustment in GL, adjustment/rectification journal voucher is prepared by concerned department's official (s) and forwarded to the respective personnel. The concerned official of RCs then consolidates JVs received from different departments and pass JV in the system within the month. Concerned official of RCs communicates with source departments for confirming reconciliation and taking necessary action. S/he also follows up old reconciling items.		J AM ACC DM ACC JAM/AM ACC		

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QUALITY MANAGEMENT SYSTEM	POWER GRID COMPANY OF BANGLADESH LTD.					QUALITY PROCEDURES			
	TITLE: PROCEDURE FOR FINANCIAL AFFAIRS								
Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12	Page:	40	of	80

SL No	Activity (including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output
7.1.6	After making adjustment/correction entries for items identified in the first draft reconciliation statement, a final reconciliation statement is prepared. This statement is first signed off by the preparer. Then it is reviewed by his/her supervisor/higher authority for input accuracy, sums checking, and adjustable items. At the time of review, the supervisor ensures that all adjustable/correction items identified in the first draft reconciliation statement are actually adjusted/ corrected. He then signs off the Final version of the reconciliation statement evidencing the verification of the statement.		AM ACC DM ACC		
7.1.7	After preparing BR by concern officer and having approval thereof from concern authority as per authority matrix, it shall be sent to audit dept. for verification purpose and audit dept. confirms that the prepared BR is correct and accurate as per supporting documents		AM ADT & ACC		
7.1.8	Completing verification procedure by audit dept. the BR shall be sent to Head of Accounts and Finance for final approval. He may approve said BR for his own discretion or return back to the manager account and finance for further confirmation and receiving proper explanation and confirmation it will be finalized.		AM ACC M/DM ACC & FIN		
7.1.9	Output Required adjustments are passed in GL and feedback is received from bank.				QF-FIN-04~06
8.0	Fixed Assets				
8.1	Capital Expenditure approval and project set up Input Required new investments are identified during the budget process and during the capacity planning work.				QF-FIN-16,18,19~21
8.1.1	Next year's investments are budgeted and planned in different parts of the organization depending on the type of investment. Finance dept. is responsible for coordinating the budget process and for carrying out an analytic professional review of the budget prior to approval. The budget covers all types of required investments.		DGM- P&D	FIN,	
8.1.2	Project Investment: In addition to the investment budget, the organization has to prepare an investment request (investment proposal). The Investment Control unit of Finance reviews the investment requirement, checks whether documentation requirements are fulfilled, and gives its professional opinion through financial analysis.		GM P&D		



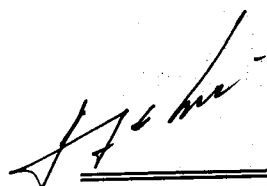
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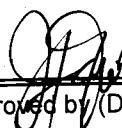
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QUALITY MANAGEMENT SYSTEM	POWER GRID COMPANY OF BANGLADESH LTD.				QUALITY PROCEDURES			
	TITLE: PROCEDURE FOR FINANCIAL AFFAIRS							
Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12	Page:	41	of 80

SL No	Activity (including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output
8.1.3	Acquisition & capitalization (Operating Equipment) An investment request is prepared and sent it to the unit leader		PD; GM project, GM FIN for decision [Responsible-DGM P&D, M FIN]		
8.1.4	Authorized official of Investment unit evaluates whether the expense fulfills the requirements for capitalization, make sure the correct depreciation time is used, etc. The investment committee approves the investment proposals/acquisition and capitalization. The investment budget is approved in a meeting with the board of directors.		Managing Director (MD); Board of Director (BoD)		
8.1.5	All approved investments will be registered one by one (as required) during roll out. The responsible person decomposes the project into activities and assigns each activity to a component in accordance with The PGCB guideline. The concern official of Accounts & Finance reviews the registration against the approved registration request prepared by authorized personnel of Planning		D P&D; M, GM FIN		
8.1.6	Output: Reviewed and approved investment budget and investment proposals				QF-FIN-16,18,19~21,40
8.2	Acquisition and Capitalisation of new materials and addition costs Input: Standardized request for purchasing from approved personnel. Fixed Asset (FA) should normally be acquired on projects. This process describes acquisition and capitalization of new materials, additional costs and spares not assigned to a project but through Miscellaneous Project. All orders should be prepared and processed in a consistent manner that is in adherence to PGCB's policy allowing accurate and complete management of fixed assets. In addition to this it is required that the level of detail captured at this point will allow accurate capitalization at the fixed asset register (FAR) stage.				
8.2.1	Request initiator should prepare a Requisition Order (RO) mentioning quantity and location ID before capitalization as described in process 8.4 (Capitalization projects)		AM-ACC, PD		



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QUALITY MANAGEMENT SYSTEM	POWER GRID COMPANY OF BANGLADESH LTD.					QUALITY PROCEDURES			
	TITLE: PROCEDURE FOR FINANCIAL AFFAIRS								
Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12	Page:	42	of	80

SL No	Activity (including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output
8.2.2	Procurement and Inventory Processes:				
	Receipt of goods at the warehouse is performed by a warehouse in charge who checks that the number of units is in accordance with the transport documentation, and that the goods are in adequate condition. The purchase order is reconciled to goods received before the warehouse in charge updates the inventory		DGM- Technical services, AM- ACC (Store in- charge)		
8.2.3	Receipt of goods at site is performed by an employee who checks that the no. of units is in accordance with the transport documentation, and that the goods are in adequate condition. The purchase order is reconciled to goods received.		DGM Project, AM ACC (Store in- charge at site)		
8.2.4	For goods stored at the warehouse, a warehouse in charge verifies that the CAPEX stock requisition has been approved by the appropriate authority before the goods are sent to site.		DGM Project		
8.2.5	Before the invoice from the supplier is approved, user makes sure that the invoice is in accordance with both order and goods received.		M FIN; GM FIN, Project Director/GM project		
8.2.6	When the goods are received at the site the responsible person sends a mail or fax or move order to warehouse for an update of capital inventory of the concerned project.		AM ACC, P&D		
8.2.7	Costs related to assets and services are recorded in the concern Project.		JAM ACC		
8.2.8	The concern person of Finance dept. prepare voucher for capitalization in accordance with PGCB policy and Accounting Standards as adopted by Institute Of Chartered Accountants Of Bangladesh (ICAB). Then Manager, Finance dept. gives approval on the voucher to capitalize the project cost and to record in the Fixed Assets register (FAR). The concerned officer updates the FAR based on approval of concern person, Finance dept.		AM, DM ACC, D P&D		QF-FIN-06
8.2.9	A second person reviews the recording in the FA register against the signed voucher.		M ACC		QF-FIN-06
8.2.10	Output: Updated FA Register.				QF-FIN-38
8.3	Assets under Construction Input: Project set up in accordance with PGCB guideline. All orders should be prepared and processed in a consistent manner that is in adherence to Company's policy allowing accurate and complete management of fixed assets. In addition to this it is required that the level of detail captured at this point will allow accurate capitalization at the WIP/FAR stage.				

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QUALITY MANAGEMENT SYSTEM	POWER GRID COMPANY OF BANGLADESH LTD.					QUALITY PROCEDURES			
	TITLE: PROCEDURE FOR FINANCIAL AFFAIRS								
Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12	Page:	43	of	80

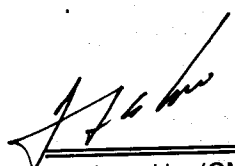
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8.3.1	Request initiator should prepare a Requisition Order (RO) mentioning quantity and location ID before. Items are linked to components of PO by selecting a project with project activities. All project activities are assigned to a component when the project is set up which has been explained in details in Capital expenditure approval and project set up). Quantity ID and location ID must be manually recorded before capitalization as described in process 8.4 (Capitalization projects)		GM P, Project Director (PD)		
8.3.2	Procurement & Processes :				
8.3.3	*Receipt of goods at the warehouse is performed by a warehouse in charge who checks that the number of units is in accordance with the transport documentation, and that the goods are in adequate condition. The purchase order is reconciled to goods received before the warehouse in charge updates the inventory.		DGM- Technical services, AM ACC (Store in-charge)		
8.3.4	Receipt of goods at site is performed by an employee who checks that the no. of units is in accordance with the transport documentation, and that the goods are in adequate condition. The purchase order is reconciled to goods received.		DGM Project, AM ACC (Store in-charge at site)		
8.3.5	For goods stored at the warehouse, a warehouse in charge verifies that the CAPEX stock requisition has been approved by the appropriate authority before the goods are sent to site		DGM P		
8.3.6	Before the invoice from the supplier is approved, user makes sure that the invoice is in accordance with both order and goods received		M FIN; GM FIN, PD/GM project		
8.3.7	When the goods are received at the site the responsible person sends a mail or fax or move order to warehouse for an update of capital inventory of the concerned project.		AM ACC		
8.3.8	Costs related to assets and services are recorded in the concerned Project.		AM ACC		
8.3.9	The project owner accrues costs if needed.		PD, AM ACC		
8.3.10	The concern person should follow up the projects on a monthly basis. The concern higher authority compares all incurred costs with budget and the concern person reviews and approves all directly attributable cost. On the basis of review, concern official makes necessary adjustments in FAR.		M ACC, GM FIN		
8.3.11	Labor cost related to the project work- in-progress should also be capitalized		PD, AM ACC		
8.3.12	Output Updated project account				

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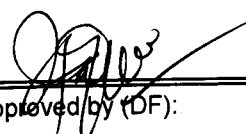
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QUALITY MANAGEMENT SYSTEM	POWER GRID COMPANY OF BANGLADESH LTD.					QUALITY PROCEDURES			
	TITLE: PROCEDURE FOR FINANCIAL AFFAIRS								
Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12	Page:	44	of	80

SL No	Activity (including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output
8.4	Capitalization of Project Input: Assets under construction included in WIP. This process describes the capitalization of assets related to project investments. In the assets under construction process, costs are transferred to WIP. Capitalization is a process of transferring these costs out of WIP (assets have temporary status as assets under construction in the B/S) and into the FA module. Assets are capitalized when they are brought into service. When any asset is recognized as property, plant and equipment, it must be met the recognition criteria as prescribed in Bas-16.				
8.4.1	The concern person of Accounts and Finance dept. (A&FD) reviews a monthly WIP report from the system to identify any assets that are brought into service but are still in the WIP. If any such assets are identified, the concern person of Finance dept. notifies the project Director (PD), Technical and the identified assets are updated in FAR immediately with corresponding information. The correspondences are archived and the control is evidenced by signing the WIP report/statement, and archiving it in a read-only format/hard copy		DM, M ACC		
8.4.2	The PGCB requires all assets to be classified with identification location. These assets have to be identified by the concern person of A&FD and missing information must be added. He extracts a WIP report and adds component, location or quantity by communicating the PD before being sent for registration in the system		AM ACC (Store in-charge)		
8.4.3	After any adjustments made in 5.4.2 the concern person of A&FD extracts an updated WIP report including all financial information and reviews that the information is accurate and complete. As part of the completion process, concerned personnel of A&FD prepares A statement including proposed corrections		DM, M ACC		
8.4.4	The concern person of A&FD communicates with the PD, Technical Division to determine that whether all assets are correctly allocated, included, and recorded etc.		GM FIN, PD/GM P		
8.4.5	Then concerned personnel of A&FD capitalize the assets in accordance with the signed WIP report/statement.		AM, DM ACC		QF-FIN-06
8.4.6	Output: Completed projects register in accordance with PGCB policy				QF-FIN-38



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QUALITY MANAGEMENT SYSTEM	POWER GRID COMPANY OF BANGLADESH LTD.					QUALITY PROCEDURES			
	TITLE: PROCEDURE FOR FINANCIAL AFFAIRS								
Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12	Page:	45	of	80

SL No	Activity (including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output
8.5	<p>Capitalization of Interest Input:</p> <p>As a basis for calculation and allocation, the assigned personnel of Accounts & Finance dept.(A&FD) derives CWIP figures from monthly financials which is used as a basis for the calculation of interest for capitalization. Additionally, weighted average interest rate is calculated on the basis of PGCB's long-term interest bearing debts. The process covers periodic (monthly) capitalization of interest on WIP in accordance with BAS-23. The process covers both calculation of interest for capitalization and allocation to assets.</p>				
8.5.1	<p>Based on numbers from the CWIP including all projects for which interest should be capitalized and the applicable weighted average interest rate, concerned personnel calculates interest for capitalization, and allocate it to WIP. If total calculated interest for capitalization exceeds the period's interest expenses, the excess amount is to be capitalized.</p> <p>The calculation of interest eligible for capitalization and allocation to WIP is archived in a separate folder in network location of A&FD so that Manager, Accounts and head of finance can oversee the calculation and allocation. However, allocation to WIP is documented in a voucher, prepared by Assistant Manager, Accounts and the voucher is forwarded to Deputy Manager, Accounts and Finance. After signing off by the preparer and the departmental head, the voucher is used as a basis for registration in FAR and GL.</p>		AM ACC M ACC & FIN		
8.5.2	Head of finance reviews that interest for capitalization is calculated on all WIP. Moreover, he reviews the calculation of interest and allocation to WIP and checks that calculated interest for capitalization does not exceed the period's interest expenses. He also reviews that the proposed registration (capitalization) is in accordance with BAS-23 and before approving the voucher and he should send it to concern person of A&FD for recheck of registration.		GM FIN		QF-FIN-06
8.5.3	The concern person of A&FD controls that the voucher is properly approved, and registers the voucher in GL and FAR. The concern person of A&FD controls that the voucher is accurately recorded		M ACC		
8.5.4	Interest calculated for WIP in step-1 is allocated to the different projects located at different places. Interest must be allocated according to Company's policies. The allocation to assets is documented in a worksheet called "interest allocation worksheet" which is used as a basis for registration in the GL and FAR.		AM and DM/ M ACC		

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QUALITY MANAGEMENT SYSTEM	POWER GRID COMPANY OF BANGLADESH LTD.					QUALITY PROCEDURES			
	TITLE: PROCEDURE FOR FINANCIAL AFFAIRS								
Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12	Page:	46	of	80

SL No	Activity (including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output
8.5.5	Head of finance reviews the allocation of interest to different projects. Before registration in the FAR, he reviews the "interest allocation worksheet" whether all the projects under construction on that particular month considered for interest allocation and the allocation is in accordance with BAS-23. Moreover, he also considers the sum of the allocated interest equals interests allocated to WIP in step-1. After review he signs off the "interest allocation worksheet" and sends back to the preparer to incorporate in the system and the sheet is kept for the future reference.		GM FIN		
8.5.6	After getting the approval from the head of finance, concerned personnel records the allocation in the system. The concern person of A&FD controls that the interest is accurately recorded.		AM and DM/ M ACC		QF-FIN-06
8.5.7	Output: Capitalized interest correctly recorded in the general ledger.				QF-FIN-06
8.6	Depreciation and Amortization Input: Assets entered into FAR. While entering fixed assets into FA Module of accounting software, PGCB Accounting policy in regard to depreciation are also incorporated i.e. depreciation methods, useful life estimates, salvage value, depreciable amount etc.. This process starts with the preparation of depreciation schedules and ends with the registration of depreciation into the GL.				QF-FIN-06,38
8.6.1	While creating assets in the fixed assets Register, depreciation rates to all fixed assets are automatically assigned. Before running depreciation module at the end of a month accuracy of assigned depreciation rates has been checked. Finally depreciation module is run depreciation/amortization calculation.		M/DM ACC		
8.6.2	When the run is completed, system itself generates depreciation/ amortization schedule.		M/DM ACC		
8.6.3	When schedule for depreciation is ready, Journal Voucher (JV) is to be prepared and update GL for depreciation as well.		AMt/JAM ACC/FIN		QF-FIN-06
8.6.4	The concern person of Accounts and Finance Dept. (A&FD) takes printout of the JV and reviews it to validate the accuracy of depreciation charges for the period.		Assistant/JAM ACC/FIN		
8.6.5	If required after incorporating necessary correction (like responsibility center code etc.), the concern, A&FD will update GL for depreciation		DM ACC/FIN		

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QUALITY MANAGEMENT SYSTEM	POWER GRID COMPANY OF BANGLADESH LTD.					QUALITY PROCEDURES			
	TITLE: PROCEDURE FOR FINANCIAL AFFAIRS								
Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12	Page:	47	of	80

SL No	Activity (including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output
8.6.6	concern person of A&FD with the help of Technical and other relevant depts. conduct a yearly review of economic useful life (EUL) of fixed assets. Based on feedback from relevant dept. he reviews and assesses EUL of individual assets and obtain approval from GM finance and, if necessary make due changes in the FAR.		GM P, DGM TS, M ACC/FIN		
8.6.7	Output: Depreciation registered into GL.				QF-FIN-38
8.7	Safeguarding – count/physical verification Input: Decision to count to verify the existence of fixed assets. This process covers the issuance of physical count instructions, the count of asset components and the recording of the count results into the FA register.				
8.7.1	The concern official circulates count instructions to the responsibility centre (RCs) and Locations heads as well as to a counting team consisting of representatives from Accounts and finance dept. (A&FD) and Technical to conduct counting of selected locations according to verification plan.		DGM TS		
8.7.2	The counting personnel perform the fixed assets count according to issued count instructions jointly by A&FD and Head of Field Operation. The counting personnel input count results to the count sheets and signs the sheet.		DGM TS		
8.7.3	The concerned officer of A&FD receives report from counting team.		M/DM ACC		
8.7.4	The concerned officer of A&FD with the help of RCs and locations heads initiates investigation of significant discrepancies by re-counting certain asset components or by gathering appropriate explanation.		M/DM ACC		
8.7.5	The RCs and locations heads notify re-count results to the concerned officer of A&FD by sending the report of counting team.		AM-ACC, DGM TS		
8.7.6	The concerned officer of A&FD as well as head of Field Operation then review the report of counting team.		M-ACC/FIN, GM P		
8.7.7	If there are any discrepancies between the count and FA register, the Head of FA and head of Field Operation will decide whether those assets will be disposed /written off or added to the FA register. Such decision is approved by respective superior in accordance with authorization matrix.		M ACC		
8.7.8	The fixed asset dept. updates the FA Register according to the approved count reports. A second person reviews the recording in the FA register against the signed the voucher.		AM/JAM ACC/FIN DM ACC/FIN		
8.7.9	Output: Updated FA Register				

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QUALITY MANAGEMENT SYSTEM	POWER GRID COMPANY OF BANGLADESH LTD.					QUALITY PROCEDURES			
	TITLE: PROCEDURE FOR FINANCIAL AFFAIRS								
Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12	Page:	48	of	80

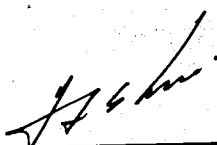
SL No	Activity (including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output
8.8	Impairment testing Input: All registered assets in GL.				
8.8.1	This process covers the six month/yearly evaluation of impairment indicators for fixed assets, and any impairment calculation based on these indicators. The process also covers the review of the accounts dept. registration of actual impairment.				
8.8.2	The concerned official monitors impairment indicators set out in BAS-36 on a yearly basis based on information from management. Indicators of impairment may arise from either the external environment in which the entity operates or from within the entity's own operating environment. The evaluated indicators are documented in a standardized impairment indicators form, with a conclusion regarding if there are any indicators triggering impairment testing. The form is sent to the head of finance for approval. The head of finance reviews the impairment indicators form and approves by signing it. If there are any indicators of reversing a previous impairment, these indicators will be evaluated and documented by the concerned person. In this case, the process will be followed as described below (reversal of previous impairment instead of impairment).		DGM TS, PD and AM, ACC (Store in- Charge)		
8.8.3	If impairment indicators approved by the head of finance trigger impairment testing, a new value for the cash generating unit (CGU) i.e for PGCB is calculated by an external consultant or an internal expert according to Company's policy. Based on the new value, impairment is calculated. An impairment loss will only be booked if the net book value is higher than the recoverable amount. An equivalent calculation will be performed in the case of a reversal. The head of finance reviews the calculation and approves the estimate.		GM FIN		
8.8.4	After the impairment is approved by the head of finance, the concerned person allocates the impairment to sub-components. When allocating an impairment loss, the carrying amount of each asset within the CGU should be reduced to the higher of fair value less costs to sell (if determinable), value in use (if determinable) and zero. Any unallocated impairment loss should be allocated pro rata to the non-monetary assets of the CGU, subject to the same limits. An equivalent allocation will be performed in the case of a reversal. The designated person summarizes the allocation on the standardized allocation of impairment form, signs the form and the voucher and sends the document to the head of finance for approval.		M ACC M ACC		

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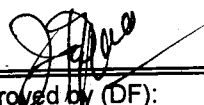
Approved by (DF):

QUALITY MANAGEMENT SYSTEM	POWER GRID COMPANY OF BANGLADESH LTD.					QUALITY PROCEDURES			
	TITLE: PROCEDURE FOR FINANCIAL AFFAIRS								
Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12	Page:	49	of	80

SL No	Activity (including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output
8.8.5	The Board, MD, head of finance approves impairment on a sub-component level according to authorization matrix.		BoD, MD, GM FIN		
8.8.6	After approval, the designated person notifies the A/C dept. to record the impairment by sending a print of the signed standardized allocation of impairment form and a document from the external consultant (if applicable).		M ACC		
8.8.7	The concern person of Accounts & Finance dept. records the impairment in the FAR and GL		AM/JAM, M ACC		
8.8.8	A second person reviews the recording in the FAR and GL against the signed documents sent to the accounts & finance dept.		DM ACC		
8.8.9	Output: Updated asset values GL.				
8.9	Fixed Assets Transfer Procedure Input: Order to transfer assets from site to CAPEX stock. This process covers that all transfer- site to site to capex stock are reported, approved and accurately recorded. Please note that this process does not cover the transfer from site capex to open stock. This process is tailored for transfers-site to capex stock, but it is assumed that a similar process is appropriate for transfer-capex stock to site. This process is relevant for assets with location ID only.				
8.9.1	Planning department of technical division identifies the assets which are required to swap/exchange. Accordingly, they prepare a swapping plan and request to implementation department of technical division for executing the transfer of capex item from site to capex store		DGM, P&D and TS and Operation and MTN dept		
8.9.2	The assigned department execute the transfer of assets as per the request from Planning department		AM ACC (Store in- charge)		QF-FIN-06
8.9.3	after transfer, the concerned responsible of that department notifies his supervisor about the transfer from site to capex stock by preparing and signing the standardized 'transfer Form' Fields required to be filled in include: -Asset component -Order number -Quantity (according to unit of measurement specified in the Transfer Form). -Old and new location He sends the signed transfer form to his supervisor.		AM ACC		
8.9.4	The concerned supervisor receives Transfer Form and make sure that the order responsible has signed. He also checks that the Transfer Form is in accordance with the request letter of Planning dept. he approves "Transfer Form" by signing off the form.		DGM P&D		



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QUALITY MANAGEMENT SYSTEM	POWER GRID COMPANY OF BANGLADESH LTD.					QUALITY PROCEDURES			
	TITLE: PROCEDURE FOR FINANCIAL AFFAIRS								
Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12	Page:	50	of	80

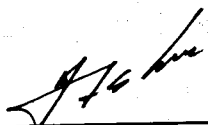
SL No	Activity (including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output
8.9.5	concerned supervisor of implementation dept. sends a copy of the Transfer Form to the Finance Fixed Asset (FFA) dept. for registration.		DGM P&D		
8.9.6	FFA records the transfer site capex stock in the FA register. A second person reviews the recording in the FA register against the signed. Transfer Form sent to the FFA.		AM ACC DM ACC		QF-FIN-38
8.9.7	Output: Updated FA Register.				QF-FIN-38
8.10	Fixed Assets Stored at site Input: Excess assets stored at site, not in use (Location "Site/region/sub-center warehouse"). This process covers that all assets store at site are considered for scrapping, sale or transfer, and that the appropriate order is placed. This process covers technical equipment only. This process is relevant for assets with location ID only.				
8.10.1	The head of each responsibility centre (RCs) and locations identifies assets stored at site (may termed as sub -center), not in use by monthly scanning/check list. As soon as the list is prepared, s/he forwards the list to the respective head. Head of RCs makes sure that the scanning/ checking performed as agreed. After reviewing, s/he notifies the procurement dept. to move these assets to warehouse.		PD/M TS		
8.10.2	The concerned personnel of procurement dept. reconsider disposal method		M PRO, store		
8.10.3	Then s/he place order to his/her dept. for carrying out the order to transfer the assets store at site and notifies the disposal committee (the order/sales responsible) to sell scrap. Scrap assets should be sold as per PGCB policy for which no SOP is prepared.		DGM PRO and STR		
8.10.4	Output: Order placed to sell, scrap or transfer assets.				
8.11	Disposal of FA Input: Order to sell assets. This process covers that all sold assets are reported, approved and accurately recorded as per Disposal policy & Procedures of PGCB. This process is tailored for technical equipment but it is assumed that a similar process is appropriate for other types of equipment (assets).				

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QUALITY MANAGEMENT SYSTEM	POWER GRID COMPANY OF BANGLADESH LTD.					QUALITY PROCEDURES			
	TITLE: PROCEDURE FOR FINANCIAL AFFAIRS								
Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12	Page:	51	of	80

SL No	Activity (including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output
8.11.1	The concerned user takes initiative to dispose assets. The procurement dept. is overall responsible for disposal of FA except for those assets which are under Admin dept. In case of Technical Equipment, concerned Responsibility Centre (RCs) head notifies concern person of procurement dept. through filling up a disposal form. Various information is mentioned in the form which includes – description of assets, assets number, date of purchase and purchase price etc. The form is signed off by requesting person and head of his department. Based on the request from concerned dept., procurement dept. takes initiative to dispose assets		M PRO/STR and DGM TS/HRM		
8.11.2	Procurement dept. is responsible to form a disposal committee consisting of representatives of procurement dept. Finance and Technical/User dept. Disposal committee determines and suggests the appropriate method of disposal after their due verification. The committee may prefer any one method of the followings – Sale, Trade-in, Scrapping, Causality loss, Donate to external group etc		DGM PRO and STR		
8.11.3	If the committee does not decide to sale the assets then they may determine any method mentioned in 5.11.2.		DGM PRO, STR		
8.11.4	If the committee decides to sale then they invites quotation. In case of the decision to sale among employees, quotation is invited through official circular. In case of sale to outsiders, bids are invited through advertisement in national daily newspaper		M PRO, STR		
8.11.5	The committee opens the bid envelopes on a predetermined date in the presence of all members of the committee then they prepare a comparative statement and evaluate the bids. Bidder offered the highest price is selected as Buyer		DGM -PRO, STR		
8.11.6	The disposal committee prepares a report with details of disposed assets, bidding description and selected buyer etc. then it forwards to management for final approval. Head of procurement dept. approves the disposal of asset as per delegation of financial power		M PRO, STR		
8.11.7	Selected buyer pays the money through Pay Order (PO) or Demand Draft (DD). Subject to full payment, the buyer collects all sold items immediately after sale by his cost. PGCB handovers all documents of ownership of assets to the buyer		Deputy/AM PRO, STR		



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QUALITY MANAGEMENT SYSTEM	POWER GRID COMPANY OF BANGLADESH LTD.					QUALITY PROCEDURES			
	TITLE: PROCEDURE FOR FINANCIAL AFFAIRS								
Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12	Page:	52	of	80

SL No	Activity (including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output
8.11.8	The committee forwards a list of disposed assets to Accounts & Finance dept. for removal from assets register. Based on the list, concerned official of Finance dept. prepares vouchers to write off assets from FA register.		M/DM ACC		QF-FIN-06
8.11.9	Output: Updated FA register and GL.				QF-FIN-06,38
9.0	Inventory Management				
9.1	Inventory Item receipts Input: The input of the process is receiving goods at Warehouse.				
9.1.1	When any consignment is about to arrive at warehouse, Procurement dept. gives a prior notification through e-mail or otherwise to warehouse about the expected delivery date, nature of goods, mode of delivery etc.		AM PRO		
9.1.2	Warehouse receives goods physically. In case of local purchases, Warehouse official receives consignment along with Delivery Order (DO) and Purchase Order (PO). In case of foreign purchases, receives additional papers which include shipping documents and packing list. Goods are temporarily unloaded at primary location inside warehouse. An initial verification is conducted by warehouse official to check the date of delivery, apparent condition and quantity of delivered goods against DO, PO and packing list.		AM Store and Design		
9.1.3	In case of local purchase, if any major discrepancy is found, the consignment is rejected by Warehouse (without receiving) and returned to supplier for fresh delivery.		AM STR and DGN		
9.1.4	Warehouse issues a Preliminary Goods Received Declaration (PGRD) form giving a unique serial number after receiving each new consignment. Warehouse requests the concerned user through e-mail for inspection of quality and quantity of delivered goods. PGRD number is necessary to trace goods within warehouse premises. A PGRD register is maintained in MS Excel to keep track of the PGRDs issued. In case of foreign purchase, if any discrepancy is found, the Warehouse does not reject the consignment but receives it as such. Warehouse notifies the discrepancy on the PGRD and immediately informs Procurement Dept. for taking necessary action. This is communicated through e-mail. Copy of e-mail is also given to the User(s) Concerned official(s) of the Procurement dept		AM STR		
9.1.5	Concerned official(s) makes a 'Primary Receive' Entry of goods in the software System after the issuance of PGRD.		AM/JAM STR		

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QUALITY MANAGEMENT SYSTEM	POWER GRID COMPANY OF BANGLADESH LTD.					QUALITY PROCEDURES			
	TITLE: PROCEDURE FOR FINANCIAL AFFAIRS								
Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12	Page:	53	of	80

SL No	Activity (including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output
9.1.6	Concerned user (s) inspects quality and quantity of the goods received on item by item basis. For local procurement, the goods are inspected 100% if requested by the user and for Foreign Procurement of Capital Machinery, packing is not opened but it is ensured that packing items are in right quantity as specified in the packing list. Procurement dept. prepares a Material Inspection Report (MIR) which is signed off by the user and representatives of the supplier (if applicable). MIR is distributed through-mail to: - User(s) -Concerned Official(s) of the Procurement Dept.		AM/JAM, STR and AM, Concerned user dept		
9.1.7	If the outcome of material inspection is not satisfactory, a discrepancy report is prepared and forwarded to the procurement dept. through e-mail for taking necessary action. In case of partial discrepancy of a consignment (foreign procurement) for items which are acceptable, the concerned official(s) of procurement dept. makes "Goods Acceptance" transaction in Accounting Software and accepts the goods partially		AM STR & DGN		
9.1.8	If the outcome of material inspection is satisfactory or for partial receipt, goods are stored in the predetermined location inside the Warehouse		AM STR		
9.1.9	The concerned official(s) of Warehouse makes "Goods Acceptance" transaction in Accounting Software to issue goods to sub-inventory locations. For CAPEX items (markable goods), system generates distinct identification number on the next day of the acceptance transaction. This tracking number is printed on a sticker in defined format from system.		AM STR		
9.1.10	In case of CAPEX items, where feasible assets are marked by identification number generated by system by putting the identification number stickers on the assets.		JAM STR		
9.1.11	After storing goods, storekeeper updates the respective Bin Cards on the basis of physical count and DO.		JAM STR		
9.1.12	Warehouse maintains file for received goods to keep documents such as shipping documents, packing list, DO, Po, PGRD, MIR and discrepancy report (if any)		M STR & PRO		
9.1.13	Output The output of the process is updating store ledger system for receiving goods.				
9.2	Issuance/Transportation Input The input of the process is valid Move Order (MO) prepared by concerned user.				

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QUALITY MANAGEMENT SYSTEM	POWER GRID COMPANY OF BANGLADESH LTD.					QUALITY PROCEDURES			
	TITLE: PROCEDURE FOR FINANCIAL AFFAIRS								
Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12	Page:	54	of	80

SL No	Activity (including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output
9.2.1	User (s) prepares a MO and it is approved by the concerned dept. head which makes the MO eligible to be transacted. Basically a MO contains the following information: I. Name, designation and dept. of requisite II. Items code, description and required quantity III. Proposed date of delivery IV. Place of delivery (destination) etc.		AM User Dept		
9.2.2	The MO number is communicated to Warehouse by the user (s). The concerned official (s) checks the MO to find out whether it contains all the necessary information. if MO is found OK with quality (complete and valid) the concerned official prepares a against the concerned MO.		AM STR		
9.2.3	After printing the Pick Slip, W/H in-charge assigns a unique requisition number on it and forwards to the concerned storekeeper (s) for issuance of goods		AM STR		
9.2.4	The concerned storekeeper (s) checks Bin Card to confirm whether adequate balance is there to issue inventories as per Pick Slip. He takes any discrepancy to the notice of W/H in-charge and user. For any mismatch, WH in-charge initiates investigation to find out the reason (s) for mismatch. A mismatch can take place due to any or all of the following reasons: I. Missing transaction (s): Transaction not recorded II. Error (s) may take place regarding quantity while recording III. Error (s) in updating Bin card As soon as the reason is found out, the concerned official of W/H performs any or both of the following corrective actions: Update System Update Bin Card		JAM STR		
9.2.5	Concerned storekeeper issues goods by mentioning the quantity issued on the Pick Slip. For mark-able goods, Asset Marking No. (if available) is also mentioned on the Pick Slip. The Pick Slip is signed off by the storekeeper. For an issuance requiring goods from more than one location, the concerned storekeepers mention quantity issued from his/her location, Asset Marking No. and put their sign on the Pick Slip. Then both the goods and Pick Slip is handed over to the Store- incharge.		AM STR		
9.2.6	After obtaining receiver's (warehouse delivery Man) signature on Pick Slip, goods are loaded on the transport carrier. A separate acknowledgement (Delivery Challan) of loaded goods is also obtained from the concerned transport agent.		AM STR		

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QUALITY MANAGEMENT SYSTEM	POWER GRID COMPANY OF BANGLADESH LTD.					QUALITY PROCEDURES			
	TITLE: PROCEDURE FOR FINANCIAL AFFAIRS								
Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12	Page:	55	of	80

SL No	Activity (including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output
9.2.7	After loading goods on transport, Store-in-Charge issues Gate Pass and obtains delivery man's signature on it. A Gate Pass contains the required information (For example- MO, Name of requisite, destination, description of goods, vehicle no. name of the driver etc.).		JAM STR		
9.2.8	the transport agent along with delivery man passes through the security clearance at the W/H gate. The gate security checks loaded transport and gives permission to leave W/H if everything is found in order. Gate security also collect original Gate Pass from the transport agent and forward to the W/H in-Charge for filing.		AM STR		
9.2.9	When goods leave the W/H premises for destination, the concerned official performs transaction in system. Item Allocation created against a valid and complete MO is validated by him/ her. This transaction updates Store ledger.		AM STR		
9.2.10	W/H delivery man deliver goods to user at his/her desired destination. He keeps W/H informed about the progress of delivery.		JAM STR		
9.2.11	After receiving goods at own destination user gives acknowledgement on Pick Slip and returns it to the W/H		JAM STR		
9.2.12	All pertinent documents i.e original MO, transport agent's acknowledgement, Gate Pass and User's acknowledgement are filed for recording purpose by the W/H.		M STR		
9.2.13	Output: The output of the process is goods are delivered at user's site and store ledger is updated accordingly.				
9.3	Stock Count Input The input of the process is obtaining Stock Balance at stock owner's locations by the stock counting team on stock take date.				
9.3.1	At the closing of year head of Accounts & Finance dept. holds initial discussion meeting as coordinator with Procurement (Logistics) dept. and external auditors about the stock count date, procedure, locations, stock items		M ACC; STR & PRO		
9.3.2	Counting teams are allocated for each location i, e: HO-Dhaka GMDs in various locations of Bangladesh Projects in various locations of Bangladesh (if they hold inventory) Any other locations Counting teams are usually formed involved representatives of procurement dept., internal & external audit.		M ACC; STR & PRO		
9.3.3	The coordinator and head of procurement dept. individually informs each concerned dept. about the stock take date and location wise team plan to keep their representatives in the right place and right time to assist the counting team and also to keep closing balances updated till the stock counting date.		M STR & PRO		

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QUALITY MANAGEMENT SYSTEM	POWER GRID COMPANY OF BANGLADESH LTD.					QUALITY PROCEDURES			
	TITLE: PROCEDURE FOR FINANCIAL AFFAIRS								
Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12	Page:	56	of	80

SL No	Activity (including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output
9.3.4	Each stock counting team obtains system Report of Stock Balances from respective designated location.		M STR & PRO, Counting Team		
9.3.5	Counting teams conduct physical count of stocks on random sampling basis according to system Report prints out.		Head of Counting Team		
9.3.6	Book balances are reconciled with physical count balance and note down reasons for variances, if any.		Head of Counting Team		
9.3.7	Counting team conducts investigation and recount, where necessary, for all variances that have been occurred during the stock take		Head of Counting Team		
9.3.8	Based on investigation result, procurement dept. updates, as required, either stock or book balance if justification is found for differences.		M STR & PRO		
9.3.9	If no justification is found for the said difference, the Counting Team issues discrepancy report updates Stock/Book balance and provides Revenue A/C division with final stock balances		M STR & PRO		
9.3.10	When rectification of stock balances/issuance of discrepancy report are completed. Concerned officials of counting team compiles stock balances of all locations, compares it with the issue data maintained by them and submit it to the top management and control Owner. A stock take report contains the following information: Name of stock items Name of category Date of stock take Location wise stock balance Stock condition Discrepancy report (if required)		M STR & PRO		
9.3.11	At last Finance Dept. formally documents the stock take report for future references		AM ACC		
9.3.12	Output: The output of the process is confirming stock balance by preparing stock take report by finance and submitting the same to the top management.				
9.4	Scrapping / Disposal Input: User returns unusable items.				
9.4.1	User returns faulty/unusable items with the approval of responsibility centre (RCs) head along with a properly filled in standard Return Form which includes the following information: Asset ID Model/Serial No. Item Asset Code Number (if applicable) Location (User end and destination) Condition of items Reason for disposal Name and signature of the person requesting disposal, Signature and date of Director/departmental head.		M STR & DGN		

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QUALITY MANAGEMENT SYSTEM	POWER GRID COMPANY OF BANGLADESH LTD.					QUALITY PROCEDURES			
	TITLE: PROCEDURE FOR FINANCIAL AFFAIRS								
Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12	Page:	57	of	80

SL No	Activity (including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output
9.4.2	Warehouse receives returned items along with return form. Before receiving returned items Warehouse confirms whether the return is appropriately approved by concerned RCs head.		AM STR		
9.4.3	Warehouse maintains Excel Spreadsheet file for recording returned items.		JAM STR		
9.4.4	Procurement dept. forms Disposal Committee consisting of three (3) members from Finance dept. and Procurement dept. according to PGCB's Disposal policy. As a listed company PGCB should follow their MoA & AoA for disposal of assets when this issue may arise.		GM FIN, M ACC and DGN and STR		
9.4.5	The Committee conducts an inspection to assess the condition of returned faulty items with the help of technical persons and experts and finalize the list of inventory to be scrapped.		Head of Committee		
9.4.6	Finally disposal committee holds a meeting to take decision about scrapping. Committee finalizes the list of scrapped items.		GM FIN, M STR, ACC & DGN & STR		
9.4.7	Output: unusable items sold and update GL.				QF-FIN-06
10.0	Financial Reporting Accruals for operating Expenses Note This process covers only manual accruals. Accounts & Finance dept.(A&FD) is responsible to account for accruals of operating expenses (OPEX items) such as rent, maintenance, utility bills etc. based on invoices in hand, invoice in transit but rightly identified, existing contracts etc.				QF-FIN-06
10.1	Input Expense not recognized and/or accrued at the time of period-end closing.				
10.1.1	The concerned officer of Acc. & Finance dept. (A&FD) prepares a monthly list of operating expenses to determine the provision (as per BAS- 37) upon necessary expenses for which goods or services were received but not yet paid.		AM ACC		
10.1.2	At each month close A&FD analyses the accruals with actual expenses. Incurred through agreements (where applicable) the accruals are netted off with the actual expenses. all expenses are analyzed through budget follow up and trend analysis by the manager, A&FD whether the accruals are adequate or not. If the accruals are adequate, the accruals are carrying forwarded to next period. If not adequate, the accrual amount is adjusted. At the time of year closing, the concerned personnel of A&FD sends email to all relevant depts. asking for corresponding source documents to account for expenses not yet paid off.		DM/M ACC		

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QUALITY MANAGEMENT SYSTEM	POWER GRID COMPANY OF BANGLADESH LTD.					QUALITY PROCEDURES			
	TITLE: PROCEDURE FOR FINANCIAL AFFAIRS								
Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12	Page:	58	of	80

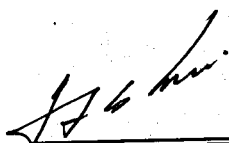
SL No	Activity (including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output
10.1.3	The main sources for calculating accruals are invoices, contracts and technical data. A&FD makes calculation to define necessary amounts to be accrued. Some accruals expenses are based on financial estimates		AM/JAM ACC		
10.1.4	Concerned departmental head reviews and approves all operating expenses for accruals. After getting approval from concerned departmental head, all documents should be transferred to audit dept. including calculation of estimated amount. Audit dept. should check the documents and judge the estimation whether those amount are accounted for in accordance with BAS as adopted by ICAB.		GM FIN		
10.1.5	After getting approval of operating expenses for accruals, the concerned officer prepares a JV for accruals which should be approved by the concerned departmental head. Recording in the System is made by the concerned officer. Reconciliation has to be done for most of the accrued items		AM/JM, ACC M ACC		QF-FIN-06
10.1.6	Output Expenses are accrued.				QF-FIN-06
10.2	Accruals for Capital Expenses(CAPEX) Accounts & Finance dept. are responsible to ensure that all period end CAPEX accruals are recorded in the General Ledger (GL) maintained in the system. Such CAPEX are up-gradation of software, transmission line, interest during construction, replacement of assets etc.				QF-FIN-06
10.2.1	Input Expenses not recognized and/or accrued				
10.2.2	The concerned officer of Acc. & Fin. Dept. (A&FD) prepares a monthly list of capital expenses to determine the provision (as per BAS-37) upon necessary expenses for which goods or services were received but not yet paid.		AM ACC		
10.2.3	At each month close, A&FD analyses the accruals with actual expenses. For the expenses, incurred through agreements the accruals are netted off with the actual expenses. At the time of year closing, the concerned personnel of A&FD sends e-mail to all relevant depts. asking for corresponding source documents to account for expenses not yet paid off		DM ACC		
10.2.4	The main sources for calculating accruals are invoices, contracts and technical data. A&FD makes calculation to define necessary amounts to be accrued. Some accruals expenses are based on financial estimates.		DM ACC		
10.2.5	Concerned departmental head reviews and approves all capital expenses for accruals.		GM FIN		

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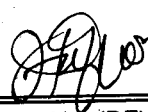
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QUALITY MANAGEMENT SYSTEM	POWER GRID COMPANY OF BANGLADESH LTD.					QUALITY PROCEDURES			
	TITLE: PROCEDURE FOR FINANCIAL AFFAIRS								
Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12	Page:	59	of	80

SL No	Activity (including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output
10.2.6	After getting approval of capital expenses for accruals, the concerned officer of A&FD prepares a JV for accruals which is approved by the concerned departmental head. Recording in the System is made by the concerned officer. Reconciliation has to be done for most of the accrued capital items		AM/JAM ACC M ACC/FIN		QF-FIN-06
10.2.7	Output Capital Expenses are accrued.				QF-FIN-06
10.3	GL preparation Input Throughout a month, accounting entries are created/entered in system by users of different modules. These modules are: Purchase module, Inventory module, AP module, Project module, AR module and Fixed asset module. Whenever accounting entries takes place in the system, the entries lie in the respective module until the module is closed and the respective entries are transferred from the module to the GL interface.				
10.3.1	The Reporting section of Accounts & Finance dept. (A&FD) prepares a monthly closing calendar and circulates notice to all module owners/ responsible persons mentioning the deliverables, deadlines (date, day and time) and corresponding responsible person's name.		M/DM ACC		
10.3.2	Based on the deadline mentioned in the closing calendar, respective module owner/responsible person closes his module. By module closing, it is ensured that all accounting entries that were earlier lying in the respective module throughout the month are now transferred to the GL interface of system. Accounting entries are then transferred from to		M/DM ACC		
10.3.3	Respective module owner and A&FD decides whether any new entry, or rectification/adjustments regarding expenses accruals, reversals, write-offs, valuation, allocation etc. need to be given in the accounting system before GL is closed for the period (month). If entries are required, respective dept./unit gives the entries in the system from its respective end in coordination with system administration of Reporting/ A&FD. These entries are directly given in the GL module		M/DM ACC		
10.3.4	After all the new/rectification/adjusting entries are entered in the system in GL directly, concerned official of administration updates the GL.		M/DM ACC		



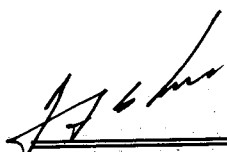
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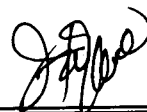
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QUALITY MANAGEMENT SYSTEM	POWER GRID COMPANY OF BANGLADESH LTD.					QUALITY PROCEDURES			
	TITLE: PROCEDURE FOR FINANCIAL AFFAIRS								
Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12	Page:	60	of	80

SL No	Activity (including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output
10.3.5	After the notice period (deadline) expires as circulated, concerned official of system administration closes books for that period (month) in the system. After closing of books, no new entry/rectification or adjustment can be entered in the system in that period without the help of system administration of Reporting/A&FD.		GM FIN		
10.3.6	Once closing is done, Trial Balance (TB) is generated through the system.		M/DM ACC/ FIN		
10.3.7	Income Statement (IS) and Balance Sheet (BS) are also generated through the system after closing		M/DM ACC/ FIN		QF-FIN-41
10.3.8	Output: The Reporting section of A&FD prints copy of trial balance and financial statements from the system.				QF-FIN-41
10.4	Corporate Tax Input: Expenses not recognized and/or accrued at the time of period end closing. Profit/loss figure from management accounts on monthly basis for making provision. Net profit before tax (NPBT) figure from audited P & L statements for filling returns, advance income tax, tax depreciation/capital allowance figure.				
10.4.1	The concerned manager of Taxation & Regulatory Affairs (T&RA) section/dept. obtains month to date (MTD) profit/loss figure from management accounts. This is done on monthly basis. Again, s/he obtains NPBT figure from audited P&L statement in order to file tax returns to the tax authority - National Board Of Revenue (NBR).		M/DM ACC		
10.4.2	The assigned personnel of T&RA calculates Year to Date (YTD) assessed profit/loss by adding back accounting depreciation and other disallowable expenses on the basis of historically assessed disallowable percentages. Then, depreciation allowance and investment allowances are deducted to arrive at the YTD assessed profit/loss figure for tax calculation purpose		M/DM ACC		
10.4.3	If the assessed figure is a profit figure, YTD income tax liability is calculated on that figure at the applicable rate. However, if the figure is a loss figure, then minimum tax calculates on the gross receipt amount receiving during the relevant income year by the applicable rate.		M/DM ACC/ FIN		
10.4.4	Monthly provision is determined by the difference between YTD income tax liability and provision taken so far in the system. This provision is then accounted for in the system by the T&RA section/dept.		M/DM ACC		



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QUALITY MANAGEMENT SYSTEM	POWER GRID COMPANY OF BANGLADESH LTD.					QUALITY PROCEDURES			
	TITLE: PROCEDURE FOR FINANCIAL AFFAIRS								
Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12	Page:	61	of	80

SL No	Activity (including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output
10.4.5	On the basis of audited accounts and within the time limit provided by NBR, concerned manager of T&RA section/dept. determines yearly taxable profit/loss of the last income year by adding back accounting depreciation/other disallowable expenses/ allowable income and deducting depreciation allowance/ investment allowance/ other allowable expenses/ disallowable income as per the relevant provisions of ITO, 1984		M/DM ACC		
10.4.6	Net tax liability for the income year is calculated by considering tax on taxable income and any advance income tax/tax deducted at source. The Head of accounts shall review net tax liability computation and then forwarded to Tax Advisor. Tax Advisor's opinion is considered in the net tax liability computation and then again reviewed by the FD before tax return is submitted to NBR.		GM FIN Tax expert, Consultant		
10.4.7	Tax Return is filed to NBR with all the supporting calculations and annexure. These include, schedule of depreciation, copy of Treasury Challan, tax credit/refund for prior assessments, deduction at sources to show total tax deposit amount.		DM and/or AM ACC/FIN (Tax portion)		
10.4.8	After tax return is reviewed by concerned official of NBR, PGCB obtains an assessment order mentioning any extra tax to be paid or refund to be obtained. If PGCB disagrees with the NBR assessment, it may appeal against it in the Appellate Authority. Usually this takes some time for the case to be settled.		Tax expert, Consultant and M, ACC/FIN		
10.4.9	Finally based on the assessment and acceptance by PGCB, additional tax may be paid/refund may be obtained. Excess provision is reversed or appropriate adjustment is made.		AM and /or DM ACC/FIN		
10.4.10	If there is a loss in the assessed amount, it is set off or carried forward as per relevant provisions of ITO, 1984.		M/DM ACC		
10.4.11	Output update/prepare GL and report to management.				QF-FIN-04,06
10.5	Reporting of Financial Statement(FSS) Input All GL accounts are compiled to prepare financial statements (FSS).				
10.5.1	Accounts at the end of each financial closing, prepares FSS comprising Statement of Financial Position (Balance Sheet), Statement of Comprehensive Income (Income statement), Statement of Cash Flows, Statement of Owner's Equity (statement of changes in equity) and other supplementary notes/ statements to the accounts based on system generated Trial Balance (TB).		M/DM ACC		QF-FIN-41

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	TITLE: PROCEDURE FOR FINANCIAL AFFAIRS								
Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12	Page:	62	of	80

SL No	Activity (Including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output
10.5.2	The FSs shall be reviewed by Deputy General Manager on regular basis. He reviews overall financial statements with respect to management estimates, judgment and relevant reporting framework etc. The audit committee shall also review the FSs on quarter basis.		DGM ACC The Audit		QF-FIN-41
10.5.3	If their examination reveals that revision is required to bring truth and fairness to the Company's financial statements, they revise it accordingly. Corresponding entry is passed in the system to update GL.		DGM ACC		QF-FIN-06
10.5.4	Then the financial statements shall be finalized after review by the		GM FIN, MD		
10.5.5	In some cases, Govt. or any other regulatory (Companies Act, 1994, Energy Regulatory Commission etc.) reporting requirement may differ materially from IFRS reporting requirement. Such difference might be either for different accounting treatment over a number of matters (e.g, foreign exchange fluctuation loss/gain – require either capitalization or charging into SCI/P&L account). Accounts takes necessary action to prepare the FSs as per the requirement of statutory regulators and management review notes. That must also be reviewed by deputy general manager, Account and approved by the General Manager, Finance.		M or/and DM ACC DGM/ Manager, ACC and GM FIN		QF-FIN-41
10.5.6	General Manager, Finance shall report FSs to management within stipulated time.		GM FIN		
10.5.7	Output Financial Statements are prepared and reported to the management of the Company.				QF-FIN-41
11.0	Delegation of financial & non financial power :				
11.1	Delegation Process : Before a cost/expense is posted, it must be authorized and endorsed by a competent authority. The authority level of PGCB is based on the designation level. The person who authorizes, must raise a Purchase Requisition (PR) from the system and make sure that the corresponding budget has enough fund balance. The approval/endorsement of any financial/non-financial item.				
11.1.1	Input The input of the process is the identification of need for financial authority level to be delegated to all tier of management. The approved authorization matrix is fundamental to exercise full control over the entire purchasing and procurement activities.				
11.1.2	A designated employee can be given endorsement rights based on his organizational position and duties. This may be to the Company Secretary and/or Director, Finance/P&D/O&M		MD		

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QUALITY MANAGEMENT SYSTEM	POWER GRID COMPANY OF BANGLADESH LTD.					QUALITY PROCEDURES			
	TITLE: PROCEDURE FOR FINANCIAL AFFAIRS					Page:	63	of	80
Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12				

SL No	Activity (including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output
11.1.3	The department of Accounts & Finance proposes individual financial & non financial authority level to the top management considering the expansion in the business volume and increase in operational activities (Annexure-1: Financial Matrix & Annexure-2: Non- Financial Matrix)		D and/or GM-FIN		
11.1.4	The proposal of Financial & non financial Authority Level and Power of Attorney (PoA) is approved in the Board meeting wherein concerned directors are delegated higher level authority in certain special situations. (Annexure-3: Power of Attorney).		Company Secretary		
11.1.5	The Finance Department circulates the approved Financial Authority Level and Power of Attorney (PoA) to the concerned PGCB members i.e Deputy Managers, Managers, Deputy General Managers, General Managers, Directors, MD and Board of Directors		D and/or GM FIN		
11.1.6	The approved authorization matrix is reviewed yearly by the Accounts & Finance dept. under the supervision of top management and update it on the basis of reviewed results. The department of Accounts & Finance Division is responsible to ensure strict compliance of authorization Matrix Only the MD at his discretionary power can revise financial authority level of any employee which is ultimately incorporated in the next up gradation of Financial Authority Level Circular and Power of Attorney (PoA).		D and/or GM FIN MD		
11.1.7	Output The output of the process is the financial authority level approved in BoD's meeting.				
12.0	Recognized Provident Fund				
12.1	Approval of Provident Fund				QF-FIN-15
12.1.1	Objectives To maintain and administer the Recognized Provident Fund (here in after referred to RPF) of the company in accordance with the provisions of the Provident Funds Act-1925, Provident Fund Rules-1979 and Bangladesh Labor Act 2006 chapter- XVII. Moreover, to maintain the fund in such a way so that the RPF can be operated smoothly, effectively, economically and efficient manner which to be beneficial to the fund and its members. Worth mentioning that Board of trustee has the sole discretion to make any change regarding the policies and procedures on requirement basis and such changes if necessary must be informed National Board of Revenue (NBR, here in after referred to Board) and Managing Directors of PGCB with immediate effect.				

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QUALITY MANAGEMENT SYSTEM	POWER GRID COMPANY OF BANGLADESH LTD.					QUALITY PROCEDURES			
	TITLE: PROCEDURE FOR FINANCIAL AFFAIRS								
Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12	Page:	64	of	80

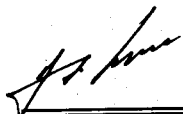
SL No	Activity (including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output
12.1.2	Input Power Grid Company of Bangladesh Limited (PGCB) top level management shall prepare an application and submit it to the Board.				
12.1.3	PGCB top level management shall prepare and submit an application to the Board through prescribed application form maintaining the terms and conditions as mentioned in the to recognize the Employee's provident fund on behalf of employees.		Head of HRM		
12.1.4	The Deputy Commissioner of Taxes (DCT) shall approve the application submitted by PGCB on behalf of Board within from the receipt of application. If such application is not Approved by DCT within the time stipulated in the Ordinance shall be deemed as approved and without any reasonable opportunity of being heard to the applicant (PGCB), DCT has no right to reject such application. After giving approval by DCT the fund will be treated as Recognized Provident Fund (RPF, here in after referred to Fund). In this case the DCT may impose another terms and conditions as he deems fit for the benefit of the fund and its members..		Head of HRM		
12.1.5	After receiving approval from DCT, PGCB shall determine the Trustee members with a view to operate the fund smoothly, effectively, economically and in an efficient manner which derives the maximum benefits to its members. The committee may be consisted of four members from which two members from employee sided and another two members may be from the PGCB existing management who are may be Managing Director (MD) and Head of Human Resource Management (HRM). Such Board of Trustee shall hold office for a period not more than two years. Afterwards new members of trustee shall be elected by following the procedure as mentioned previously or as per instruction of Board of Trustee.		MDand/or CS and BoD		
12.1.6	The Trustee Board Shall form a separate team to operate fund accurately and economically. The formed team usually will dedicatedly work for the fund and directly responsible to the board of trustee for their defined responsibility		Members of Trustee Board		
12.1.7	PGCB Board of Trustee shall determine the contributors who are entitled to contribute to the fund. In this case usually after one year of his/her service in the company including probationary period are entitled to contribute to the fund		Members of Trustee Board		

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QUALITY MANAGEMENT SYSTEM	POWER GRID COMPANY OF BANGLADESH LTD.					QUALITY PROCEDURES			
	TITLE: PROCEDURE FOR FINANCIAL AFFAIRS					Page:	65	of	80
Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12				

SL No	Activity (including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output
12.1.8	PGCB Board of Trustee shall determine the contribution amount to be received from employees deducted from their individual salary. The contributions of an employee in any year shall be a definite proportion of his salary for that year, and shall be deducted by the PGCB from the employee's salary in that proportion at each periodical payments of such salary in that year and credited to the employee's individual account in the fund. The contributions of PGCB to the individual account of an employee in any year shall not exceed the amount of the contributions of the employee in that year, and shall be credited to the employee's individual account at intervals not exceeding one year. Such contribution may be exceeded by the PGCB if an employee is received only five hundred taka subject to take prior permission of DCT in this behalf. However, as per Bangladesh Labor Act- 2006, Every permanent worker shall, after the completion of his/her one year of service in the establishment constituting the provident fund, subscribe to the fund, every month, a sum, unless otherwise mutually agreed, not less than seven per cent and not more than eight per cent of his monthly basic wages. and the employer shall contribute to it an equal amount. [Responsible-Members of Trustee Board] The PGCB shall not be entitled to recover any sum whatsoever from the fund, save in cases where the employee is dismissed for misconduct or voluntarily leaves his employment otherwise than on account of ill health or other unavoidable cause before the expiration of the term of service specified in this behalf in the regulations of the fund. Provided that in such cases the recoveries made by the PGCB shall be limited to the contributions made by him to the individual account of the employee, and to interest credited in respect of such contributions and accumulations thereof, in accordance with the regulations of the fund. [Responsible-Members of Trustee Board] However, the accumulated balance due to an employee shall be payable on the day he ceases to be an employee of the PGCB. [Responsible-Members of Trustee Board]		Members of Trustee Board		
12.1.9	Output Fund is approved and contribution also determined				
12.2	Investment of Fund and recognition and distribution of income. Input : Receive contribution from employees and company				



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	TITLE: PROCEDURE FOR FINANCIAL AFFAIRS								
Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12	Page:	66	of	80

SL No	Activity (including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output
12.2.1	Contribution from employees will be deducted from their individual salary and directly transferred to the bank accounts designated for RPF and contribution by PGCB shall also be transferred to the said bank accounts within the month or within the next two days of the following month as the case may be. Every member shall also be informed his/her contribution through a pay slip and that pay slip must be clearly mentioned their and company contribution. After disbursement of the fund related general ledger also to be updated accordingly		M ACC, HRM		
12.2.2	After receiving fund and depositing it into the designated bank accounts, the board of trustee has the sole discretion to make any decision regarding investment. One member on behalf of employees and another one on behalf of company management will be the signatories of the fund and both of them must be the members of the board of trustee. Concerned Official of Finance/Accounts Dept. (AD) collects bank balances from bank statements through online banking system of these banks. In case of other banks, he confirms balances over telephone or e-mail/fax or other standard mode of communication. He plots bank wise balance information in daily fund position statement and then aggregates total cash balances. Concerned official of Finance/Accounts Dept. gets invoices which needs to be paid for that date for PF related expenses. Expenses for a particular day is estimated based on these email notification and invoices. Usually all expenses (audit fee, legal charge) related to the PF born by company or as per trust deed it may be charged as PF expenses. Total payment amount is plotted in the daily fund position statement. After aggregating total collection and outgoing payment, he nets off the two figures and determines the cash balance for the said day.[Responsible-		AM ACC AM ACC, FIN AM ACC, FIN		QF-FIN-15
12.2.3	In case of Surplus fund to be invested into banks or financial institutions (FDR) or in Govt. treasury bond, the board of trustee shall analyze the rate of return as proposed which were collected by Assistant Manager, Accounts. The board of trustee shall also consider the financial strength (Credit Rating) and risk of the investment if it is invested in the said institutions. Moreover, in each case, all investment must be made for the best interest.		AM ACC and FIN and members of the BoD		

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	TITLE: PROCEDURE FOR FINANCIAL AFFAIRS								
Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12	Page:	67	of	80

SL No	Activity (including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output
12.2.3 (Contd)	<p>of the members of the fund and every investment decision made by board of trustee must be documented mentioning the comparative analysis of rate of return. However, as per labor act 2006 section 264 sub section 12 at least half of the total accumulations in such provident fund shall be invested for the purpose of any of the following, namely:</p> <p>(a) I.C.B Mutual Fund Certificates (b) I.C.B Unit certificates ; and (c) Government securities including defense and postal saving certificate.</p> <p>If the surplus fund to be given to the employee as loan from fund , then each employee will be entitled to receive loan from the fund equivalent to eighty percent of his/her contribution. No employee will be entitled to receive any loan without settling the previous one but if the board of trustee thinks fit then additional one can be approved. In case of additional loan excess to the of his/her contribution, the valid reason must be documented in the loan approval sheet. However, as per First schedule part- B Para-5 section-2(52), an employee shall be entitled to withdraw from his/her credit balance a sum not exceeding the difference between if such credit balance is not included in his/her total income for which he/she is supposed to pay tax for such income and tax supposed to pay if such income is included to s/he total income. In this case rate of return should be lower than if it is invested into the bank or financial institutions or board of trustee will decide the appropriate rate for that loan. Further more, Additional conditions may be imposed by board for the specific loan. The Board also shall determine the adjustment procedure which may be against his/her salary or based on monthly installment and general ledger to be updated accordingly whenever any financial transaction is made. The above mentioned cases, minutes of board of trustee must be prepared and to be signed accordingly by the members of the board of trustee mentioning rate of return.</p>				
12.2.4	To confirm all these processes have been followed accordingly, the whole documents to be sent the audit dept.. Audit dept. shall verify the process and if he satisfies then stamped with a seal to be attached in the front page of the voucher.		AM ADT		
12.2.5	After making investment, monthly basis income to be recognized derived from interest/interest on FDR or Share of profit if it is invested following the Islamic shariah and general ledger to be updated accordingly		M ACC and/or FIN		

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	TITLE: PROCEDURE FOR FINANCIAL AFFAIRS								
Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12	Page:	68	of	80

SL No	Activity (including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output
12.2.6	At the end of Financial year, all income derived from the investment invested during the current and previous years to be distributed to the employee/member's individual accounts based on the accumulated balance shown in the latest audited financial statements of the fund and general ledger to be updated accordingly.		M ACC and/or FIN		
12.2.7	Output Get the vouchers verified, distribute the recognized income to the members' fund accounts and accordingly GL is updated.				QF-FIN-15
12.3	Settlement of Fund Balance : Input Receive information relating to fund balance				
12.3.1	Assistant Manager, Accounts shall determine each member's fund balance as on specific member's departure date from PGCB which may be collected from latest audited Financial Statements of RPF, if the departure takes place immediately after the year end. In this case PGCB should prepare the financial statements on that date for fair and more accurate settlement to the out going members. Worth mentioning that income and expenses also to be recognized and accordingly accounted for considering the departure date seems to be cut off date.		AM ACC, HRM		
12.3.2	Assistant Manager, Accounts shall also calculate the adjustment figure. Such adjustment may be related to PF loan or others that are also to be adjusted as per instruction of PGCB management. He shall also consider the related issues such as if a member voluntarily leaves the employment of the PGCB he shall receive benefits of the fund as admissible to him. Members whose services are terminated otherwise than by way of dismissal shall be at par with a members who retires from the service of the PGCB and member who is dismissed from service shall forfeit his share in the funds. In the event of transfer of a member from one office or unit of a PGCB to another office or unit of the same, his/her benefits accrued shall be transferred to the funds of the office or unit to which he/she is transferred and his/her service in the previous office or unit shall be counted towards his/her entitlement to the benefits of the funds of the office or unit to which he/she is transferred. Members in the event of his retirement or his nominated beneficiary, in the event of his/her death while in the employment of the PGCB, shall receive full benefit which he/she should have been paid if he/she continues service with PGCB. However, Board of trustee shall decide if any situation arises in this regard and decision will be the final		AM ACC and/or FIN		QF-FIN-06

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QUALITY MANAGEMENT SYSTEM	POWER GRID COMPANY OF BANGLADESH LTD.					QUALITY PROCEDURES			
	TITLE: PROCEDURE FOR FINANCIAL AFFAIRS								
Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12	Page:	69	of	80

SL No	Activity (including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output
12.3.3	After determining all information as mentioned in the previous two process no 12.3.1 and 12.3.2 the Assistant Manager shall determine settlement amount that is to be the final consideration to be paid to the outgoing members.		AM ACC and/or FIN		QF-FIN-15
12.3.4	The prepared settlement sheet shall then be sent to the Board of Trustee for approval. Board of Trustee shall make decision based on supporting documents, previous year audited financial statements, period of service, both his/her and PGCB contribution, distributed income and necessary adjustments to determine the accurate and fair settlement. If all information is found correct then all member of the Board shall sign with designation on the front page of the prepared sheet and send back to the Assistant Manager to prepare an Invoice		AM ACC and/or FIN, members of the Board of trustee		
12.3.5	After getting approval from Board of trustee, the assistant manager shall prepare an invoice for settlement amount and all document to be sent to the audit dept. for further verification.				QF-FIN-15
12.3.6	To confirm all these processes have been followed accordingly, Audit dept. shall verify the process and if he satisfies then stamped with a seal to be attached in the front page of the voucher		AM ADT		
12.3.7	After verification, a cheque to be issued with taking sign from board of trustee				QF-FIN-15
12.3.8	At the year end, it may be seen that the outgoing members' income may be over whatever he/she has been paid at the time of departure. The Assistant Manager, Accounts/Finance shall determine the undistributed amount that should have been paid to the outgoing members. Usually such members' income will be accounted for that financial year and to be carried forward for at least three consecutive years in which year he/she left PGCB. After the said three years, if outgoing members do not take their benefits from PF then the said undistributed amount will be treated as income under the head of and such income will be distributed to the other existing members equally subject to any decision regarding this matter if taken by Board of trustee and for each financial transaction general ledger to be updated accordingly. Meeting All decisions shall be approved in the Board of trustee meeting such meeting may be conducted on requirement basis but not in a year. Board of trustee shall appoint an auditor in the Annual General Meeting (AGM) for PF for next year in which at least three members must be presented to form a quorum. Such quorum must be formed with one member from employee side member of board of trustee		AM ACC and/or FIN, Board of Trustee Members of Board of Trustee		

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QUALITY MANAGEMENT SYSTEM	POWER GRID COMPANY OF BANGLADESH LTD.					QUALITY PROCEDURES			
	TITLE: PROCEDURE FOR FINANCIAL AFFAIRS								
Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12	Page:	70	of	80

SL No	Activity (including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output
12.3.9	Account A separate team formed in the 12.1 shall be responsible for the preparation and maintenance of the books of accounts.		AM ACC and/or FIN		
12.3.1 0	Output Get the vouchers verified, settle the outgoing members' commitment, transfer the undistributed amount and accordingly GL is updated.				QF-FIN-06,15
13.0	Worker's Profit Participation Fund(WPPF)				QF-FIN-01-06
13.1	Approval of Worker's Profit Participation Fund:				
13.1.1	Objectives : To maintain and administer the Workers' Profit Participation Fund (here in after referred to WPPF) of the company in accordance with the provisions of the Labor Act-2006. Moreover, to maintain the fund in such a way so that the WPPF can be operated smoothly, effectively, economically and efficient manner which to be beneficial to the fund and its members. Worth mentioning that Board of trustee has the sole discretion to make any change regarding the policy and procedure on requirement basis and such changes, if necessary. However, if any changes				
13.1.2	Input Power Grid Company of Bangladesh Limited (PGCB) top level management shall define recognition criteria.				
13.1.3	PGCB top level management shall determine the recognition criteria whether it is complied with the criteria as mentioned in the Labor Act 2006 enumerated below: If (a) the number of workers employed by the company in any shift at any time during a year is one hundred or more; (b) the paid-up capital of the company as on the last day of its accounting year is one crore taka or more and (c) the value of the fixed assets of the company at cost as on the last day of the accounting year is not less than two crore taka or more. After fulfilling the criteria PGCB shall- (1) (a) establish a workers' Participation Fund and a workers' Welfare Fund in accordance with one month of the date of which the criteria becomes applicable to it; and (b) pay every to the participation fund and the welfare fund, from the close of that year, , the proportion five percent of its net profit of the payment to the participation fund and welfare fund (2) The amount paid to the Funds under sub-section (b) of (1) in relation to a year shall be deemed to have been allocated to the funds on the first day of the next succeeding that year. [Responsible-Head of Human Resource Management (HRM)]		Head of HRM		

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QUALITY MANAGEMENT SYSTEM	POWER GRID COMPANY OF BANGLADESH LTD.					QUALITY PROCEDURES			
	TITLE: PROCEDURE FOR FINANCIAL AFFAIRS								
Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12	Page:	71	of	80

SL No	Activity (including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output
13.1.3 (contd)	The Head of Human Resource Management shall submit the papers to the Board of Directors for approval of the funds.[Responsible-Head of Human Resource Management (HRM)]				
13.1.4	After receiving approval from Board of Directors, PGCB shall determine the Trustee members with a view to operate the fund smoothly, effectively, economically and in an efficient manner which derives the maximum benefits to its members. The committee may be consisted of four members from which two members from employee sided and another two persons to be nominated by the management of the company of whom at least one shall be a person from the accounts branch of the company who are may be Managing Director (MD) or Head of Human Resource Management (HRM).Such Board of Trustee shall hold office for a period not more than two years. Afterwards new members of trustee shall be elected by following the procedure as mentioned previously. The members shall elect for one year a person to be the chairman of the board alternately from amongst the members and the first chairman being from amongst the members. The board or a member of the board has been persistently failing in the performance of his or its functions or has generally been acting in a manner inconsistent with the objects and interests of the funds may after giving such member or, as the case may be, the board an opportunity of showing case against it,		MD and/or CS and BoD Members of the BoD		
13.1.5	PGCB Board of Trustee shall follow the definition of worker as stated in the Labor Act-2006 'Worker' in relation to a company, means an employee of the company, whatever be his designation or position, who has been in the employment of the company for a period of not less than six months. ; but does not include any such person- (i) Who is employed in a managerial or administrative capacity; or (ii) who, being employed in a supervisory capacity exercises either by nature of the duties attached to the office or by reason of power vested in him, functions mainly of managerial or administrative nature. However, Board of trustee shall also have the power to add and delete the name of workers whatever the designation for most benefit of the PGCB and the Fund		Members of Trustee Board and Head of HRM		
13.1.6	Output Fund is approved and entitlement to fund also determined				QF-FIN-01-06

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SL No	Activity (including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output
13.2	<p>Investment of Fund and recognition of Income Input : Receive proportionate amount of net profit (5% of net profit) as Workers Profit Participation and Welfare Fund. Concerned official of Finance/Accounts Dept. receives proportionate part of net profit and will be directly transferred to the bank accounts designated for WPPF after the books of account being closed.</p> <p>After disbursement of the fund related general ledger also to be updated accordingly. Concerned official of Finance/Accounts Dept. gets invoices which needs to be paid for that date for WPPF related expenses. Expenses for a particular day is estimated based on these email notification and invoices. Usually all expenses (audit fee, legal charge) related to the fund born by company or as per trust deed it may be charged as WPPF expenses. Total payment amount is plotted in the daily fund position statement.</p> <p>After aggregating total collection and outgoing payment, he nets off the two figures and determines the cash balance for the said day.</p> <p>The Total amount deposited in the participation fund every year received from PGCB, shall be distributed in to all workers in and shall be in accordance with the provisions to all workers or as per decision of Board of trustee.</p> <p>The amount allocated or accruing to the participant in fund shall be available to the PGCB for its business operation for this PGCB may request the board to utilize the amount in the Participation fund for investment and the board may decide to so invest the amount. If fund approved by Board, PGCB shall pay to the participation fund in respect of the amount in the participation fund available to it for its business operations as aforesaid interest at the rate of two and a half percent above the bank rate or seventy five percent of the rate at which dividend is declared on its ordinary shares, whichever is higher. In case there is more than one class of ordinary shares on which deferent rates of dividend have been declared, then the weighted average of the different rates of dividend shall be taken for the purpose of determining the rate of interest payable mentioned in the previous line.</p> <p>The interest to the participation fund shall accrue on and from the first day of the year next succeeding the year in which the fund becomes applicable to the PGCB. When PGCB does not wish to utilize the amount available to it, interest of the</p>		<p>M ACC, HRM</p> <p>AM ACC/FIN</p> <p>AM ACC FIN</p> <p>Members of the Board of trustee</p>		

Reviewed by (GM FIN):

Approved by (DF):

QUALITY MANAGEMENT SYSTEM	POWER GRID COMPANY OF BANGLADESH LTD.					QUALITY PROCEDURES			
	TITLE: PROCEDURE FOR FINANCIAL AFFAIRS					Page:	73	of	80
Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12				

SL No	Activity (including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output
13.2 (contd)	rate aforesaid shall be payable by PGCB for the period between the date of allocation of any amount to the participation fund and the date of its investment. If, at any time after the establishment of the participation fund, PGCB raises any additional capital otherwise than through the issue of bonus or bonus shares, the Participation fund shall have the first option to convert any amount available to it, or any of the assets of the participation fund into ordinary equity capital up to a ceiling of twenty percent of the paid-up capital, whichever is less. For the exercise of the right of conversion the board shall be given sufficient time to sell assets of the participation fund to realize the amount needed for subscription to the additional issue of capital by the PGCB. The shares acquired in the manner so that the fund can participate in future bonus and right issues in the same manner as other shares. The shares acquired in the manner so that the fund can carry voting rights in the same manner as other shares and such voting rights shall be exercised by the board on behalf of the participation fund. [Responsible-Members of the Board of trustee]				
13.2.1	In case of Surplus fund to be invested into banks or financial institutions (FDR) or others, the board of trustee shall analyze the rate of return as proposed which were collected by Assistant Manager, Accounts. The board of trustee shall also consider the financial strength (Credit Rating) and risk of the investment if it is invested in the said institutions. Moreover, in each case, all investment must be made for the best interest of the members of the fund and every investment decision made by board of trustee must be documented mentioning the comparative analysis of rate of return. However, The amount in the participation fund may be invested by the board for the purchase of any of the following, namely: (a) I.C.B Mutual Fund Certificates; (b) I.C.B Unit Certificates; (c) Government securities including Defense and postal saving Certificate; (d) Any other securities approved for the purpose by the Government		Members of the Board of Trustee		
13.2.2	To confirm all these processes have been followed accordingly, the whole documents to be sent the audit dept.. Audit dept. shall verify the process and if he satisfies then stamped with a seal to be attached in the front page of the voucher		AM ADT		

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QUALITY MANAGEMENT SYSTEM	POWER GRID COMPANY OF BANGLADESH LTD.					QUALITY PROCEDURES			
	TITLE: PROCEDURE FOR FINANCIAL AFFAIRS								
Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12	Page:	74	of	80

SL No	Activity (including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output
13.2.3	After making investment, monthly basis income to be recognized derived from interest/interest on FDR or Share of profit if it is invested following the Islamic shariah and general ledger to be updated accordingly. At the end of Financial year, all income derived from the investment invested during the current and previous years to be distributed to the employee/member's individual accounts of the fund. Mentioning that all workers shall be eligible to the benefits in the funds. A worker not competing six months of employment with the company during a year of account shall not participate in the funds in respect of that year and general ledger to be updated accordingly		M ACC and/or FIN M ACC and/or FIN		
13.2.4	Output Get the vouchers verified, distribute the recognized income to the members' fund accounts and accordingly GL is updated.				
13.3	Settlement of Fund Balance Input Receive information relating to fund balance				
13.3.1	Assistant Manager, Accounts shall determine each member's fund balance as on specific member's departure date from PGCB which may be collected from latest audited Financial Statements of WPPF, if the departure takes place immediately after the year end. In this case PGCB should prepare the financial statements on that date for fair and more accurate settlement to the out going members. Worth mentioning that income and expenses also to be recognized and accordingly accounted for considering the departure date seems to be cut off date		AM ACC, HRM		
13.3.2	Assistant Manager, Accounts shall also calculate the adjustment figure that is to be adjusted if he stays with PGCB. Such adjustment may be related to loan or others that are also to be adjusted as per instruction of PGCB management. He shall also consider the related issues such as if a worker voluntarily leaves the employment of the PGCB he shall receive benefits of the participation fund and the welfare fund as admissible to him. Workers whose services are terminated otherwise than by way of dismissal shall be at par with a worker who retires from the service of the PGCB and worker who is dismissed from service shall forfeit his share in the funds. In the event of transfer of a worker from one office or unit of a PGCB to another office or unit of the same, his/her benefits accrued shall be transferred to the funds of the office or unit to which he/she is transferred and his/her service in the previous office or unit shall be counted towards his/her entitlement to the benefits of the funds of the office or unit to which he/she is transferred. Workers in the		AM ACC, FIN and members of the Board of trustee		QF-FIN-06

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QUALITY MANAGEMENT SYSTEM	POWER GRID COMPANY OF BANGLADESH LTD.					QUALITY PROCEDURES			
	TITLE: PROCEDURE FOR FINANCIAL AFFAIRS								
Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12	Page:	75	of	80

SL No	Activity (including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output
13.3.2 (contd)	event of his retirement or his nominated beneficiary, in the event of his/her death while in the employment of the PGCB, shall receive full benefit which he/she should have been paid if he/she continues service with PGCB.				
13.3.3	After determining all information as mentioned in the previous two process no 13.3.1 and 13.3.2 the Assistant Manager shall determine settlement amount that is to be the final consideration to be paid to the outgoing members.		AM ACC and/or FIN		QF-FIN-04,06
13.3.4	The prepared settlement sheet shall then be sent to the Board of Trustee for approval. Board of Trustee shall make decision based on supporting documents, previous year audited financial statements, period of service, gold and hand shake leave or force leave, distributed income and necessary adjustments to determine the accurate and fair settlement. If all information is found correct then all members of the Board shall sign with designation on the front page of the prepared sheet and send back to the Assistant Manager to prepare an invoice.		AM ACC and/or FIN and members of the Board of trustee		QF-FIN-04,06
13.3.5	To confirm all these processes have been followed accordingly, Audit dept. shall verify the process and if he satisfies then stamped with a seal to be attached in the front page of the voucher		AM ADT		
13.3.6	After verification, a cheque to be issued with taking sign from board of trustee				QF-FIN-04
13.3.7	At the year end, it may be seen that the outgoing workers' income may be over whatever he/she has been paid at the time of departure. The Assistant Manager, Accounts/Finance shall determine the undistributed amount that should have been paid to the outgoing members. Usually such members' income will be accounted for that financial year and to be carried forward for at least three consecutive years in which year he/she left PGCB. After the said three years, if outgoing members do not take their benefits from WPPF then the said undistributed amount will be treated as income under the head of and such income will be distributed to the other existing members equally subject to any decision regarding this matter if taken by Board of trustee and for each financial transaction general ledger to be updated accordingly. Meetings All decisions shall be approved in the Board of trustee meeting such meeting may be conducted on requirement basis but not at least four in a year. Board of trustee shall appoint an auditor in the Annual General Meeting (AGM) for WPPF for next year in which at least three members must be		AM-ACC and/or FIN, Board of Trustee Members of Board of Trustee		

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QUALITY MANAGEMENT SYSTEM	POWER GRID COMPANY OF BANGLADESH LTD.					QUALITY PROCEDURES			
	TITLE: PROCEDURE FOR FINANCIAL AFFAIRS					Page:	76	of	80
Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12				

SL No	Activity (including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output
13.3.7 (contd)	presented to form a quorum. Such quorum must include a employee sided member of the board of trustee. Account A separate team formed in the 13.1 shall be responsible for the preparation and maintenance of the books of accounts.		AM ACC and/or FIN		
13.3.8	Output Get the vouchers verified, settle the outgoing members' commitment, transfer the undistributed amount and accordingly GL is updated.				
14.0	Capital Structure				
14.1	Determine source of finance Objective: To determine, maintain and administer of the optimum capital structure, PGCB must consider the risk and its related return. An optimum capital structure not only reduces the cost of capital but also enhance the wealth of shareholder (the owner of the company) which is the ultimate vision and mission of the company.				
14.1.1	Input Required new investments are identified				
14.1.2	PGCB top level management including Planning and Development division shall be responsible to identify and create business need/demand in which they are currently engaged and review the said demand on monthly/quarterly or demand basis.		MD and/or CS and GM P&D		
14.1.3	Appraise the new investment proposal as identified whether it is go with PGCB existing policy. At this stage PGCB also should consider its donors and other regulatory requirements. If all requirements comply with then the new investment proposal may be transfer for technical appraisal to be conducted by Planning and development dept.. Mentioning that very much sophisticated financial techniques (Pay back period, Accounting rate of return) also to be applied whether the proposal supports the financial policy to select a project. Moreover, discounted pay back period and Project net present value also to be determined at this stage. If all techniques are taken as positive based on the initial evaluation then the said project to be transferred to the finance dept. for professional analytical review		GM P&D		
14.1.4	Project investments are budgeted and planned in different parts of the organization depending on the type of investment. Finance dept. is responsible for coordinating the budget process and for carrying out an analytic professional review of the budget prior to approval. The budget covers all types of required investments		GM FIN		

Reviewed by (GM FIN):

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QUALITY MANAGEMENT SYSTEM	POWER GRID COMPANY OF BANGLADESH LTD.					QUALITY PROCEDURES			
	TITLE: PROCEDURE FOR FINANCIAL AFFAIRS								
Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12	Page:	77	of	80

SL No	Activity (including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output
14.1.4 (contd)	In addition to the investment budget, the organization has to prepare an investment request (investment proposal). The Finance dept. shall review the investment requirement, checks whether documentation requirements are fulfilled and gives its professional opinion through financial analysis.		GM FIN		
14.1.5	Authorized official of finance dept. evaluates whether the expense fulfills the requirements of investment. The investment committee approves the investment proposals. The investment budget is approved in a meeting with the Board of Directors. All approved investments will be registered one by one (as required). The responsible person decomposes the project into activities and assigns each activity to a component in accordance with the PGCB guideline. The concern official of Accounts & Finance reviews the registration against the approved registration request prepared by authorized personnel of Planning		MD, BoD D P&D, M and GM FIN		
14.1.6	The finance and/or accounts dept. shall determine the capital to be required for this investment based on the budgeted amount determined as previous stage 14.1.3. and how the such capital to be raised that also to be determined in the PGCB Board of Directors meetings. For this purpose, the finance dept. shall propose the cost of capital based on different sources of finance. Manager, Finance should consider the risk and return of finance whatever the source is used.		M, GM FIN		
14.1.7	There are mainly two types of sources of finance namely equity and debts. Those two items have some cost such as dividend are given to the equity share holder and preference share holder from which preference share holders receive fixed rate dividend but no dividend for equity share holders is affixed and fixed interest is given to the debt holders as lending fund to the business. Donors to donors interest may be varied. In this case PGCB must always consider which sources of finance is the cheapest and optimum weighted average cost of capital to the company. If PGCB receives fund through debts it can get the tax shield which reduce the overall tax liability but increase risk to the company if the adverse situation may arise.		M, GM FIN, MD		
14.1.8	Output: Review and approve investment proposals and define the source of finance				
14.2	Financing through new or right issue and debts Input Receive information from finance dept. to know the cost of capital				

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QUALITY MANAGEMENT SYSTEM	POWER GRID COMPANY OF BANGLADESH LTD.					QUALITY PROCEDURES		
	TITLE: PROCEDURE FOR FINANCIAL AFFAIRS							
Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12	Page:	78	of 80

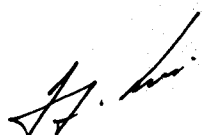
SL No	Activity (including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output
14.2.1	After receiving all information regarding cost of capital, PGCB finance dept. shall scrutinize making a comparative analysis. This financing may be composition of two or more than two sources to reduce the cost of capital to its optimum level. Managing Director shall review the source of finance which should be the optimum weighted average cost of capital (WACC) and enhance the wealth of shareholders. The details explanation of this section has been enumerated in the previous process-14.1.6.		M, GM FIN		
14.2.2	After receiving information from finance dept. Board of Directors shall decide from which sources should be used for raising fund. In this case Board of Directors shall also consider the rate of return/required rate of return. Mentioning that the required rate of return or rate of return must be exceeded the cost of capital considering the rate of inflation and accordingly they will decide the source of finance at optimum level of WACC. The company secretary then shall make a minutes in this regard based on passed resolution. In case of loan, other donor/lender (s) interest also to be considered to raise fund.		BoD and CS		
14.2.3	After passing resolution, the company secretary shall send it to the SEC for approval and also inform Stock Exchanges for both cases and receiving approval from SEC. Afterward PGCB is bound to comply with this approval. If PGCB raises fund through issuing new share it must bear issue cost, commission and Fees of Dhaka and Chittagong Stock Exchange and SEC but if it raises fund through issuing right share to its existing shareholders then the overall cost to be decreased than cost of new issuance of share. Worth mentioning that by issuing right share to its existing share holders the overall position of the share holders will be changed from which majority shareholder will be more benefited than minority because Earning per share will be decreased and voting power of the minority also to be decreased due to increase of the share. In this case, PGCB shall always protect the interest of the minority share holders and does not take any decision which is detrimental to the interest of minority shareholders. If such minority shareholders have no objection in this regard then PGCB Board of Director can do this.		BoD and CS		
14.2.4	Within fifteen days (15) after passing the resolution authorizing to increase of share or debt arrangement, PGCB must inform the registrar and registrar shall update the company share capital accordingly in case of new/right issue, if all information is found to be correct.		BoD and CS		

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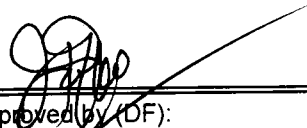
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QUALITY MANAGEMENT SYSTEM	POWER GRID COMPANY OF BANGLADESH LTD.					QUALITY PROCEDURES			
	TITLE: PROCEDURE FOR FINANCIAL AFFAIRS								
Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12	Page:	79	of	81

SL No	Activity (including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output
14.2.5	In case of loan, after making agreement, lender will pay the agreed amount based on the agreement and accordingly general ledger will be updated. The accounting entries have been covered in the accounting manual. After receiving approval from SEC, PGCB shall can make agreement with donors or lenders for receiving loan. If PGCB receives fund through debts it can get the tax shield which reduce the overall tax liability but increase risk to the company if the adverse situation may arise.		BoD and CS and AM ACC and/or FIN		
14.2.6	Output Get the information with resolution and accordingly GL is updated.				
14.3	Dividend(Bonus Issue and Cash) Input : Receive information from accounts dept. to know the profit position				
14.3.1	PGCB Board of Directors shall be informed by Manager, Accounts about profit position and balance of retained earning to make decision whether the company is in a position to declare any dividend for the concerned year. However, Board of Directors may approve dividend from current year profit or from retained earnings accumulated from previous years. But by any means, no dividend will be declared from paid up capital.		M ACC		
14.3.2	After receiving information from accounts dept. Board of Directors shall decide whether interim or final dividend will be given to its existing share holders. If the company has no new investment decision to invest (idle fund) then the Board of Directors shall usually make decision and pass a resolution in this regard.		BoD and CS		
14.3.3	After passing resolution, the company secretary shall send it to the SEC for approval and also inform Stock Exchanges for both cases and receiving approval from SEC. Afterward PGCB is bound to comply with this approval.				
14.3.4	In case of final dividend, PGCB Board of Directors shall recommend the final dividend and that dividend shall be approved in the Annual General Meeting (AGM) which must not be exceeded the Board of Director's recommended dividend.		BoD and CS		
14.3.5	Within fifteen days (15) after passing the resolution authorizing to give dividend, PGCB must inform the registrar and registrar shall update the company share capital accordingly, if all information is found to be correct.		BoD and CS		



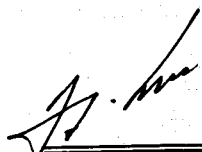
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QUALITY MANAGEMENT SYSTEM	POWER GRID COMPANY OF BANGLADESH LTD.					QUALITY PROCEDURES			
	TITLE: PROCEDURE FOR FINANCIAL AFFAIRS								
Document No:	QP-FIN-1	Revision No.:	00	Effective Date:	01/12/12	Page:	80	of	80

SL No	Activity (including Check Points)	Ref. Doc	Responsibility	Freq./ Time	Output
14.3.6	PGCB management shall be liable to disburse the dividend to its share holders addresses, if any body does not inform that his/her portion of dividend shall be collected physically, within sixty days (60) from the date of its declaration and proper accounting entry shall be inputted in to the system to update general ledger. The accounting entries has been covered in the accounting manual. Worth mentioning that by issuing bonus share to its existing share holders the overall position of the share holders will not be changed. PGCB shall always protect the interest of the minority share holders.				
14.3.7	Output Get the information with resolution and accordingly GL is updated.				
15.0	The effectiveness of this procedure for Financial Affairs is reviewed and evaluated. Internal audit will also check this effectiveness.		GM ACC & D FIN	At least once a year	Review of system
16.0	Actions will be taken to improve the system on the basis of review		GM ACC & D FIN, MR	As required	Improvement



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