



LABHYANSH
ACCOUNTING SIMPLIFIED

Purchase to Payment Procedure (P2P)

Issue of Purchase Order

Purchase Requisition from concern department

Demand Quotations from Suppliers

Make Comparisons among quotations received in Quotation Comparison Statement (QCS)

Issue purchase order in triplicate on basis of QCS

Sent one copy each to Account Department and Supplier. One copy is to be retain by Purchase department itself.

Receipt of Materials- Receipt Stor

Make entry in Gate Incoming Register maintained at factory gate for receipt of material.

Prepare a sheet called Store Receipt Voucher (SRV) indicating party name, PO no, Item description, challan quantity, and receipt quantity on basis of inspection at factory gate. SRV should have two additional columns, one for Accepted Quantity and other for Reject Quantity (To be filled by Incoming Goods Inspection (IGI) department after their due inspection).

SRV to be prepared in Triplicate and all copies to be given to IGI department.

Receipt of Materials- IGI

Department is to make inspection and checking of incoming material on sample basis depending upon nature and value of material and other factors.

Department should indicate in all copies of SRV quantities accepted and rejected on basis of their inspection.

Forward all SRV to Main Store department and make entry in their records.

Receipt of Materials- Main Store

Main store department receives SRV 's from IGI department with accepted and/or rejected quantity.

On basis of SRV, accepted quantity is to be entered in Store ledger.

For goods which are rejected in SRV a Goods Return Note (GRN) is to be prepared for sending back goods to supplier.

Forward a copy of SRV along with GRN if any to Supplier.

Another copy of SRV and GRN is to be forwarded to accounts department for booking purchase in accounts books.

Process for Accounting

On basis of SRV and GRN received from store department make purchase entry with full invoice value after making comparison with PO copy received from purchase department.

For rejected quantity in SRV a debit note is to be raised on basis of GRN.

For price difference, Excess/short quantity received and for any other reason raise additional debit/credit Note as the case may be.

Forward copy of debit /credit note to supplier.