SASCO Senior Citizens' Home	Payment Control and Processing Policy	Policy Number:	POL_FN 04_PCP
		Policy Owner :	Finance and Accounts
		Effective Date:	01 Jan 2025
		Last Revised:	04 Dec 2024

1. Purpose

The purpose of this policy is to ensure all payments are authorised and that there are no undetected wrongful payments.

2. Scope

This policy is to safeguard the organisation that all payments are secure, accurate, and authorized.

3. Definitions

- CEO – Chief Executive Director
- FN – Finance Department
- AP – Accounts Payable
- HOD – Head of Department
- CM – Centre Manager
- HCM – Head of Centre Management

4. Payment Control & Processing

4.1 The proper controls on payments aim to ensure all payments are authorised and there are no undetected wrongful payments. Payments are to be handled in such a manner to ensure:

- Expenses incurred are for authorised purposes.
- Payments are made on a timely basis and in accordance with the purchase orders and contracts, and
- Proper funds and accounts are charged and recorded accordingly.

Supporting documents

- PO as per purchasing policy and SOP.
- Contract / Agreement - as per purchasing policy and SOP.
- Approvals from the levels of authority accordingly, with the accompanying 3 quotations and Evaluations, as required;

PO/Agreement Exception

- Advance payment – via Payment Request Form or via Finance system.
- Urgent - for example insurance, catering for festival celebrations, purchases that

require downpayment – via Payment Request Form.

- No PO – for purchases less than $300.
- No PO – for recurring expenses (Eg. SP Services, Singtel, Cabcharge, ExxonMobil, SPD, Richzone etc).

4.2 Processing of Invoices

The item description, quantity and price in the supplier's invoice must match with the purchase/service order and delivery order or service report where applicable. Supplier's invoice should be processed for payment on a timely basis based on batch processing timeline after the invoice is approved by the HOD.

4.3 Processing of Payment Vouchers

4.3.1 The payment vouchers with the approved invoices must be submitted for approval by the authorisers.
4.3.2 Invoice computations and pricing should be verified before payment approval.

4.4 Segregation of Duties

Staff handling payments are to be separated to the extent possible with regards to:

- Initiation of purchase requisition,
- Approval of vouchers and invoices, and
- Signing of cheques, authorise online e-payments.

4.5 Reconciliation of Accounts

Monthly statement of accounts received from suppliers should be checked and reconciled with the recorded account payable balances quarterly.

4.6 Review of Expenditures

Periodic reviews by management, in comparing expenses incurred with the budget can provide an effective means of

- controlling expenses,
- detecting errors and deviations from rules and policies.

4.7 Proper Authorisation

Payments are to be made by cheques, Interbank GIRO, telegraphic transfer, or bank draft. Variations and amendments made should be approved and supported by authorised signatories.

5 Bank Accounts

5.1 The effective controls in management of bank accounts aims to prevent fraudulent practices that include unauthorised payments.

5.2 Proper Authorisation

The opening and closing of bank accounts need to be authorised by the board members.

5.3 Dormant Bank Account

Checks should be conducted to ensure that there are no dormant bank accounts. This is to prevent unauthorised payments, which may be undetected.

5.4 Bank Signatories

Officers for bank signatories should be appointed by Board members. There should be at least two bank signatories for each payment. Bank signatories should be unrelated, if at all possible. The appointed bank signatories with their specimen signatures and their approval limits must be duly endorsed by the banks.

5.5 Authorising Payments

Bank signatories should ensure the following:

- Payments are accompanied by properly approved suppliers' invoices and payment vouchers.
- Payee's name and amount agree with the details on the invoice.
- Payments to be authorised must not be made payable to themselves.
- Cheques issued without payee's name should not be signed.
- Cash cheques should be limited only to the top-up of petty cash float.

5.6 Physical Security

Specimen signatures of bank signatories and monthly bank statements issued by the banks should be kept in a secured place. Access to blank cheque books should be limited to Finance Manager and they should be kept in a secured place.

5.7 Bank Reconciliation

Bank reconciliation should be carried out monthly. Checks are to be made between bank statements and records of receipts and payments in the accounts.

6 Employee Expense Reimbursement

6.1 This policy shall apply to all our employees that need to spend money for work-related activities. Mileage and transport reimbursement claims will be in accordance with HR policy.

6.2 Reimbursements will be made for all approved business expenses. 'Business expenses' are expenses related to our organisation operations. Employees must be able to show why they need to incur the expenditure in the course of duty.

6.3 Expenses that are personal and private in nature are not allowable as they do not relate to our operations.

6.4 Staff reimbursement/Expenses claim approval process:

- Original copy of receipts or invoice must be submitted.
- Claims receipts more than 3 months will be subjected to CEO/HCM approval.
- Claimants must have obtained approval from their respective HODs.
- Reimbursements will be made through GIRO.
- Purchases >$300 will be paid directly to vendors, in exception circumstances, employee may be allowed to pay for purchases on behalf of the Home but will require approval.

  Centre Management
  Amount up to $300.00 - approved by HOD/CM
  Amount ≥ $300.01 to $500.00 - approved by HCM
  Amount ≥ $500.01 - approved by CEO

  HQ
  Amount up to $300.00 - approved by HOD
  Amount ≥ $300.01 - approved by CEO

5.5 Claiming of expenses on behalf of others are strictly prohibited unless approved by Finance.

5.6 Information for each claim should be clearly indicated. Finance will check if the expense is business related, comply with organisation policies and if there is approval from HOD. Examples are as follows:

- Transport
  Date, destination, mode of transport, Name and Designation of Person Incurring it, purpose, and amount.

- Travelling
  Date, destination, mode of transport, Name and Designation of Person Incurring it, reason for expenditure and amount.

- Entertainment (refer also to Business Entertainment Policy)
  Date, Place of Entertainment, Name and Designation of Person(s) Entertained, purpose, Name and Designation of Person Incurring it and amount.
  * All Entertainment expenses need to be pre-approved by CEO at least a week before the event date.

End of Document

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AMENDMENTS LOG

Version History

Version	Date	Version Author	Summary of Changes
1.0	31 Jan 2022	Mavis Ren	First Release
2.0	04 Dec 2024	Felicia Tham	1) Formatting 2) Remove stamp "PAID" to original invoices to prevent duplicate submission as most invoices will be sent via email. And vouchers and invoices will be scanned and saved in sharepoint.

Review & Approval

Name/Position	Reviewed By	Approved By	Date
Felicia Tham	Head, Accounts and Finance	BOARD	