DIRECTORATE OF WATER SUPPLY
DIRECTORATE GENERAL CIPTA KARYA
MINISTRY OF PUBLIC WORKS
REPUBLIC OF INDONESIA

DIRECTORATE GENERAL
INTERNATIONAL COOPERATION
MINISTRY OF FOREIGN AFFAIRS
KINGDOM OF THE NETHERLANDS

MDP PRODUCTION TEAM

TRAINING MATERIALS FOR WATER ENTERPRISES

VOLUME 3

	GUIDE FOR USERS OF TRAINING MATERIALS
●	TRAINING MODULES
	GENERAL
●	ORGANISATIONAL
	Basic knowledge / skills
●	Processes/procedures
●	Equipment/materials
	TECHNICAL
	Basic knowledge/skills
	Processes/procedures
	withdrawal
	treatment
	distribution
	consumption
	Equipment/materials
	TAPE / SLIDE PROGRAMMES

MDP PRODUCTION TEAM

DHV - IWACO - TGI

DIRECTORATE OF WATER SUPPLY
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DEPARTMENT OF PUBLIC WORKS
GOVERNMENT OF INDONESIA

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GOVERNMENT OF THE NETHERLANDS

MDP PRODUCTION TEAM

TRAINING MATERIALS FOR WATER ENTERPRISES

VOLUME 3
TRAINING MODULES
ORGANIZATIONAL (processes/procedures; equipment/materials)

DHV CONSULTING ENGINEERS
IWACO B.V.
T.G. INTERNATIONAL

JAKARTA
APRIL 1985

P R E F A C E

This volume is part of the Final Report of the MDP Production Team which produced Training Materials for Water Enterprises as part of a project under the bilateral cooperation programme between the Government of the Republic of Indonesia and the Government of the Kingdom of the Netherlands.

This Final Report contains the following volumes:

Volume 1	Guide for users of training materials	
Volume 2A	Training Modules,	GENERAL + ORGANIZATIONAL (basic knowledge/skills)
Volume 2B	Training Modules,	GENERAL + ORGANIZATIONAL (basic knowledge/skills)
Volume 3	Training Modules,	ORGANIZATIONAL (processes/procedures; equipment/materials)
Volume 4	Training Modules,	TECHNICAL (basic knowledge/skills)
Volume 5A	Training Modules,	TECHNICAL (processes/procedures)
Volume 5B	Training Modules,	TECHNICAL (processes/procedures)
Volume 6A	Training Modules,	TECHNICAL (Withdrawal + Treatment)
Volume 6B	Training Modules,	TECHNICAL (Withdrawal + Treatment)
Volume 7	Training Modules,	TECHNICAL (Distribution + Consumption)
Volume 8	Training Modules,	TECHNICAL (equipment/materials)
Volume 9	Tape/slide programmes	

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TRAINING MODULES

Module : INTRODUCTION TO THE ACCOUNTING PROCEDURES	Code : OPF 010
	Edition : 09-03-1985
Section 1 : INFORMATION SHEET	Page : 01 of 01/15

Duration :	45 minutes.
Training objectives :	After this session, the trainee will be able to: - name the 10 Accounting Procedures of the Accounting System.
Trainee selection :	- Director PDAM/Head BPAM; - All Department Heads; - All section Heads.
Training aids :	- Viewfoils: OPF 010/V 1-6; - Handout : OPF 010/H 1.
Special features :	-
Keywords :	Accounting Procedures/water sales/supply/new customers/salaries/petty cash.

1. Introduction

Each day, a Water Enterprise commits a number of transactions.

These transactions may include activities such as:
- paying salaries;
- paying suppliers for delivered materials;
- billing customers for water sold to them.

Almost any activity of a Water Enterprise involves money and may therefore be classified as a transaction.

All transactions are recorded by the accounting system. In Indonesia, a standard accounting system, known as the Buku Pedoman Pelaksanaan Sistem Akuntansi PAM, is available for Water Enterprises.

2. The need for Procedures

A number of transactions is complex, requires adequate coordination but are of a routine nature.

Transactions like this can be structured by procedures.

By means of a procedure, we can define:
- the various activities which constitute a transaction;
- the persons involved;
- the forms and documents which will have to be used;
- the order in which these activities have to take place;
- the timing, if required.

Show V 1

Procedures are sometimes complex and for that reason, use is made of flowcharts.

A procedure can be defined as a working arrangement which organizes people and activities to undertake jointly a certain task.

Show V 2

3. 10 Accounting Procedures

Our accounting system recognizes a number of routine transactions and has structured these by defining 10 accounting procedures.

These procedures comprise:

a. Water sales
- Procedure for Preparing Water Bills.
- Procedure for Collecting Water Bills.

Show V 3

b. Supply of Materials and Supplies
- Procedure for Requesting Purchase and Ordering Materials and Supplies.
- Procedure for Receiving Materials and Supplies.
- Procedure for Paying Materials and Supplies.
- Procedure for Issueing Materials and Supplies.

c. New Customers
- Procedure for Receiving new Customers.
- Procedure for Installing Service Connections.

d. Salaries
- Procedure for Paying Salaries.

e. Petty Cash
- Procedure for Petty Cash.

4. Water Sales

All costs incurred by the Water Enterprise should be recovered from our customers by billing them for the amount of Water consumed.

Controlling Water Sales is therefore a critical activity.

The process of Water Sales has been structured by 2 accounting procedures viz.
- Procedure for Preparing Water Bills.
- Procedure for Collecting Water Bills.

Show 4

Preparing Water Bills comprises all activities necessary to determine:
- the amounts consumed by our customers;
- the calculation and preparation of Water Bills;

and will result that Water Bills will be on time (the first day of the month) with the cashier for payment by our customers.

The second procedure deals with the collection and accounting of payments for Water Bills.

Important aspects are timing and the need of having up to date customer accounts, specifying outstanding Water Bills per customer.

5. **Supply of Materials and Supplies**

The smooth supply of materials and supplies is a basic condition for reliable operations.

For this purpose, stock is being kept.

Stockkeeping is expensive, ties up capital which could be used for other purposes, and should be reduced to a minimum without endangering the reliability of our operations.

This is a complex process which is structured by 4 accounting procedures viz.

Show V 5

- Procedure for Requesting Purchase and Ordering Materials and Supplies.
- Procedure for Receiving Materials and Supplies.
- Procedure for Paying Materials and Supplies.
- Procedure for Issueing Materials and Supplies.

The first procedure organizes the ordering of materials, identifying when materials and supplies have to be re-ordered, not too early and not too late, and prescribing how a supplier should be selected.

The procedure for receiving materials and supplies makes sure that delivered materials are in accordance with our specifications and that payments are only made when irregularities between delivery and order have been resolved.

Actual payment is organized in the third procedure.

The fourth procedure deals with the issue of materials and supplies ensuring that materials should only issued after proper approval and that materials are charged to the correct expense account or job.

Separate accounts of inventories are kept with the warehouse and the bookkeeping for stock control purposes.

Important aspects of these procedures are that stock levels should be kept to a minimum without endangering the reliability of our operations and an adequate administration of stock.

6. **New Customers**

The need for attracting new customers is evident but its processing is complex because candidate customers should pay the actual costs of their service connection and the possibility of paying these costs in installments.

This process again has been split up in 2 accounting procedures viz.

Show V 6

The first procedure deals with the acceptance of the candidate customers and the cost calculation of the service connection.

After acceptance of the cost calculation and other financial terms by the candidate customer, the actual connection and activating as customer is organized by the second procedure.

An important aspect of these procedures is the coordination between the Technical and Finance & Administration Department.

7. **Salaries**

Timely and correct payment of salaries is important for our employees.

In addition, we need to know to which expense accounts salary costs have to be charged.

This is structured by the Procedure for Paying Salaries.

8. **Petty Cash**

Small expenditures may be paid from a Petty Cash Fund.

The Procedure for Petty Cash stipulates the accounting of expenditures through its the Petty Cash Fund and replenishment.

9. **Summary**

Almost any activity of a Water Enterprise involves money and may therefore be classified as an transaction.

All transactions are recorded by the accounting system.

In Indonesia, a standard accounting system, known as the Buku Pedoman Pelaksanaan Sistim Akuntansi PAM, is available for Water Enterprises.

A number of transactions are complex, require adequate coordination but are of a routine nature.

Transactions can therefore be structured by procedures.

A procedure can be defined as a working arrangement which organizes people and activities to undertake jointly a certain task.

Show V 2

Our accounting system recognizes a number of routine transactions and has structured these by defining 10 accounting procedures.

These procedures comprise:

Show V 3

a. Water Sales
   - Procedure for Preparing Water Bills;
   - Procedure for Collecting Water Bills.

b. Supply of Materials and Supplies
   - Procedure for Requesting Purchase and Ordering Materials and Supplies;
   - Procedure for Receiving Materials and Supplies;
   - Procedure for Paying Materials and Supplies;
   - Procedure for Issueing Materials and Supplies.

c. New Customers
   - Procedure for Receiving New Customers;
   - Procedure for Installing Service Connections.

d. Salaries
   - Procedure for Paying Salaries.

e. Petty Cash
   - Procedure for Petty Cash.

Distribute H 1

Objectives of a Procedure — OPF 010/V 1

- Define activities which constitute a transaction
- Define persons involved
- Define forms and documents to be used
- Define order / sequence
- Define timing

Definition of a Procedure — OPF 010/V 2

A PROCEDURE IS :

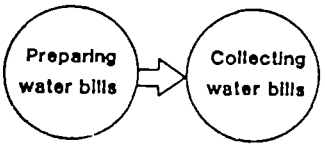
A working arrangement which organizes people and activities to undertake jointly a certain task

The 10 Procedures of the Accounting System — OPF 101/V 3

- Water sales
  - (1) Preparing water bills
  - (2) Collecting water bills
- Supply of material and supplies
  - (3) Requesting purchase and ordering
  - (4) Receiving new customers
  - (5) Payment
  - (6) Issueing
- New customers
  - (7) Receiving
  - (8) Installing service connections
- Salaries
  - (9) Salary payments
- Petty cash
  - (10) Petty cash

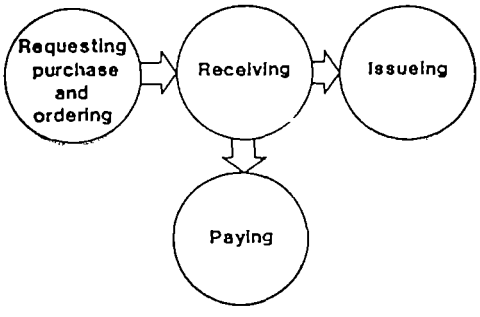
2 Procedures for Water Sales — OPF 010/V 4

2 procedures for water sales



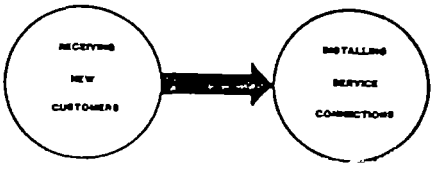
4 Procedures for the Supply of Materials and Supplies — OPF 010/V 5

4 procedures for the supply of materials and supplies



2 Procedures for New Customers — OPF 010/V 6

2 PROCEDURES FOR NEW CUSTOMERS



	Introduction to the Accounting Procedure — OPF 010/H 1

1. INTRODUCTION

Each day, a Water Enterprise commits a number of transactions. These transactions may include activities such as paying salaries, paying suppliers for delivered materials, but also billing customers for water sold to them. In fact, we might say that almost any activity of a Water Enterprise involves money and may therefore be classified as a transaction. All transactions are recorded by the accounting system. In Indonesia, a standard accounting system, known as the Buku Pedoman Pelaksanaan Sistim Akuntansi PAM, is available for Water Enterprises. All our further discussions on acounting will be based on this accounting system.

2. THE NEED FOR PROCEDURES

A number of transactions are complex, require coordination but are of a routine nature. These transactions can therefore be structured by procedures. By means of a procedure, we can define exactly the various activities which constitute a transaction, define the persons involved, the forms and documents which will have to be used, the order in which these activities have to take place and, if required, the timing. Procedures are sometimes complex and for that reason, use is made of flowcharts. A procedure can be defined as a working arrangement which organizes people and activities to undertake jointly a certain task.

3. 10 ACCOUNTING PROCEDURES

Our accounting system recognizes a number of routine transactions and has structured these by defining 10 accounting procedures.
These procedures comprise:

a. Water Sales.

- Procedure for Preparing Water Bills;
- Procedure for Collecting Water Bills.

b. Supply of Materials and Supplies.

- Procedure for Requesting Purchase and Ordering Materials and Supplies;
- Procedure for Receiving Materials and Supplies;
- Procedure for Paying Materials and Supplies;
- Procedure for Issueing Materials and Supplies.

c. New Customers

- Procedure for Receiving New Customers;
- Procedure for Installing Service Connections.

d. Salaries
- Procedure for Paying Salaries.

e. Petty Cash
- Procedure for Petty Cash.

These procedures will be explained in the following paragraphs.

4. WATER SALES

All costs incurred by the Water Enterprise should be recovered from our customers by billing them for the amount of water consumed. Controlling Water Sales is therefore a critical activity. The process of Water Sales has been structured by 2 accounting procedures (see fig. 1).

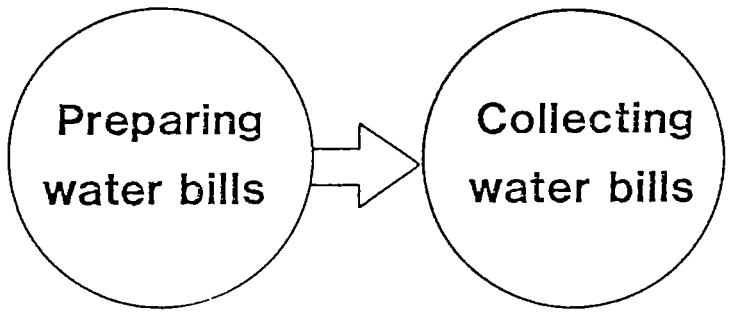


Fig. 1. 2 Procedures for Water Sales.

Preparing Water Bills comprises all activities necessary to determine the amount of water consumed by our customers, the calculation and preparation of Water Bills and will result in Water Bills being on time (the first day of the month) with the cashier for payment by our customers. The second procedure deals with the collection and accounting of payments for Water Bills. Important aspects are timing and the need of having up to date customer acounts, specifying outstanding Water Bills per customer.

5. SUPPLY OF MATERIALS AND SUPPLIES

The smooth supply of materials and supplies is a basic condition for reliable operations. For this purpose, stock is being kept. Stockkeeping is, however, expensive, ties up capital which could be used for other purposes, and should be reduced to a minimum without endangering the reliability of our operations. This is a complex process which is structured by 4 accounting procedures (see fig. 2).

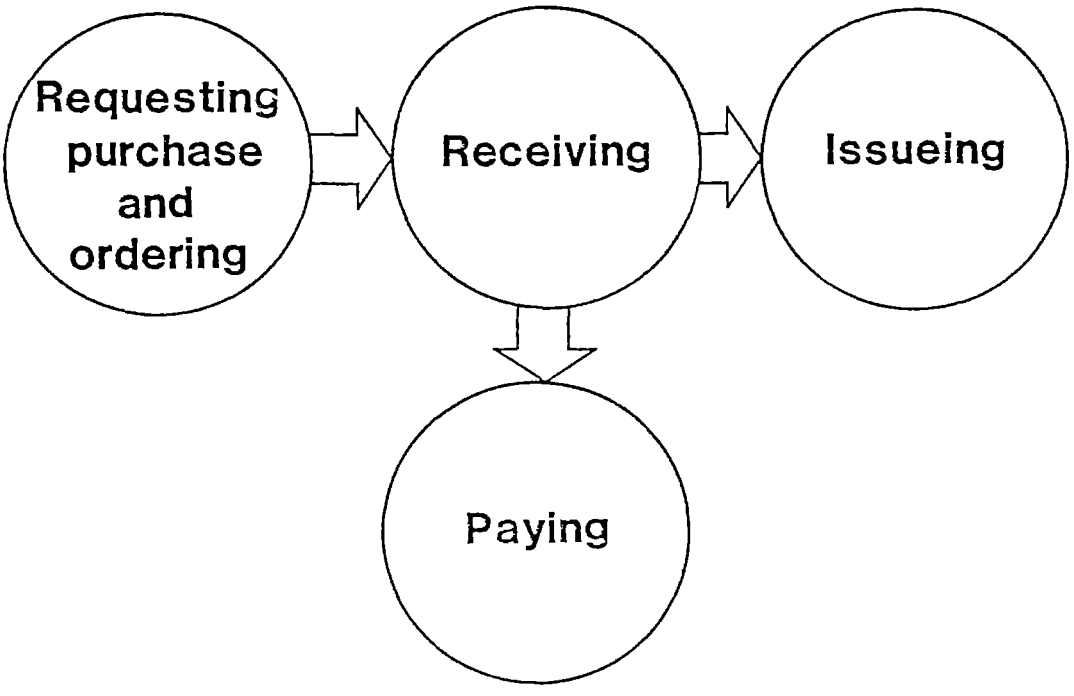


Fig. 2. 4 Procedures for the supply of materials and supplies.

The first procedure organizes the ordering of materials, identifying when materials and supplies have to be re-ordered, not too early and not too late, and prescribing how a supplier should be selected.
The procedure for receiving materials and supplies makes sure that delivered materials are in accordance with our specifications and that payments are only made when irregularities between delivery and order have been resolved. Actual payment is organized in the third procedure. The fourth procedure deals with the issue of materials and supplies ensuring that materials should only issued after proper approval and that materials are charged to the correct expense warehouse and the bookkeeping for stock control purposes. Important aspects of these procedures are that stock levels should be kept to a minimum without endangering the reliability of our operations and an adequate administration of stock.

6. NEW CUSTOMERS

The need for attracting new customers is evident but its processing is complex because candidate customers should pay the actual costs of their service connection and the possibility of paying these costs in installments. This process again has been split up in 2 accounting procedures (see fig. 3).

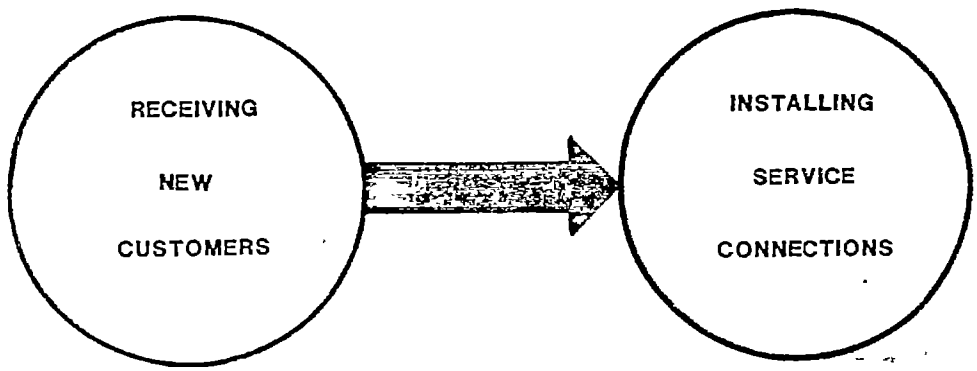


Fig. 3. 2 Procedures for new customers.

The first procedure deals with the acceptance of the candidate customers and the cost calculation of the service connection. After acceptance of the cost calculation and other financial terms by the candidate customer, the actual connection and activating as customer is organized by the second procedure. An important aspect of these procedures is the coordination between the Technical and Finance & Administration Department which should be very closely.

7. SALARIES

Timely and correct payment of salaries is important for our employees. In addition, we need to know to which expense accounts salary costs have to be charged. This is structured by the Procedure for Paying Salaries.

8. PETTY CASH

Small expenditures may be paid from a Petty Cash Fund. The Procedure for Petty Cash stipulates the accounting of expenditures through the Petty Cash Fund and its replenishment.

9. SUMMARY

Almost any activity of a Water Enterprise involves money and may therefore be classified as a transaction. All transactions are recorded by the accouting system. In Indonesia, a standard accounting system, known as the Buku Pedoman Pelaksanaan Sistim Akuntansi PAM, is available for Water Enterprises.

A number of transactions are complex, require adequate coordination but are of a routine nature. These transactions can be structured by procedures. A procedure can be defined as a working arrangement which organizes people and activities to undertake jointly a certain task.

Our accounting system recognizes a number of routine transactions and has structured these by defining 10 accounting procedures.
These procedures comprise:

a. <u>Water Sales</u>

- Procedure for Preparing Water Bills;
- Procedure for Collecting Water Bills.

b. Supply of Materials and Supplies

- Procedure for Requesting Purchase and Ordering Materials and Supplies;
- Procedure for Receiving Materials Supplies;
- Procedure for Paying Materials and Supplies;
- Procedure for Issueing Materials and Supplies.

c. New Customers

- Procedure for Receiving New Customers;
- Procedure for Installing Service Connections.

d. Salaries
- Procedure for Paying Salaries.

e. Petty Cash
- Procedure for Petty Cash.

* * *

TITLE :	CODE :
1. Objectives of a procedure	OPF 010/V 1
2. Definition of a procedure	OPF 010/V 2
3. The 10 procedures of the accounting system	OPF 010/V 3
4. 2 procedures for water sales	OPF 010/V 4
5. 4 procedures for the supply of materials and supplies	OPF 010/V 5
6. 2 procedures for new customers	OPF 010/V 6

- Define activities which constitute a transaction
- Define persons involved
- Define forms and documents to be used
- Define order / sequence
- Define timing

A PROCEDURE IS :

A working arrangement which organizes people and activities to undertake jointly a certain task

- Water sales
  - (1) Preparing water bills
  - (2) Collecting water bills
- Supply of material and supplies
  - (3) Requesting purchase and ordering
  - (4) Receiving new customers
  - (5) Payment
  - (6) Issueing
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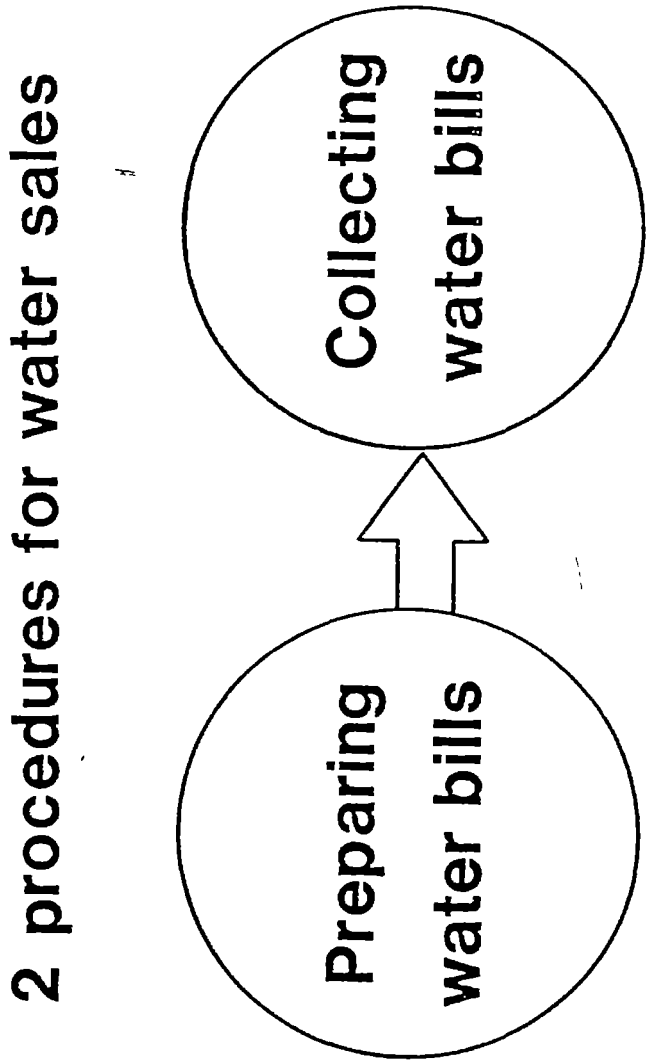
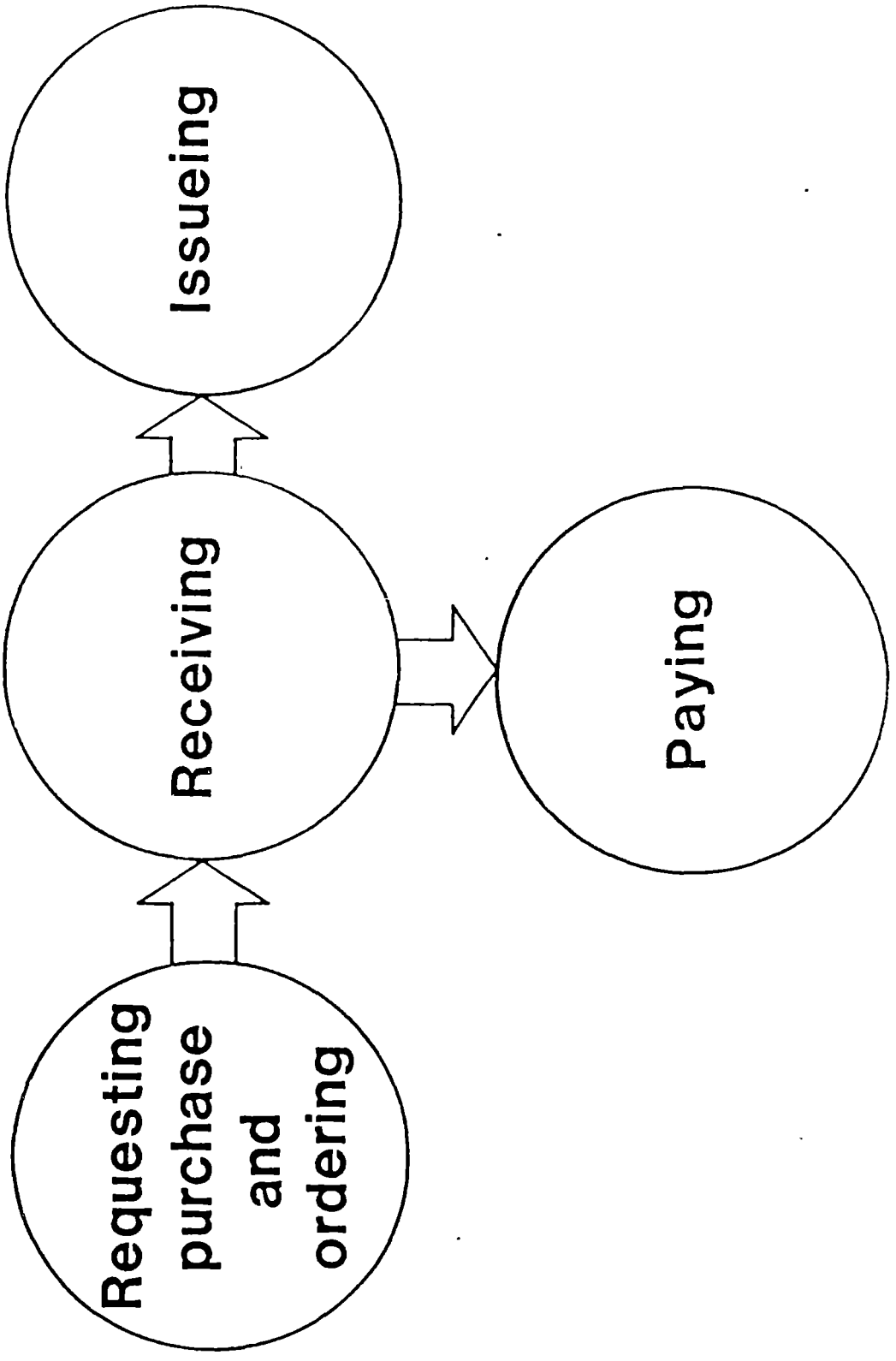
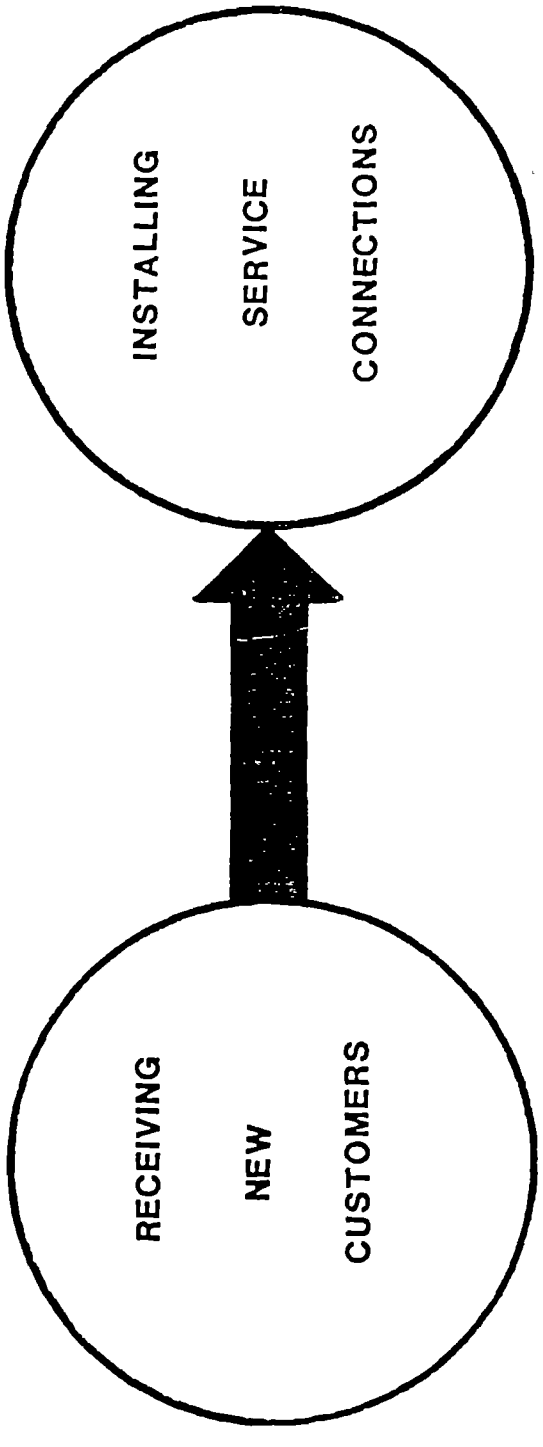
- Salaries
  - (9) Salary payments
- Petty cash
  - (10) Petty cash


2 procedures for water sales
Preparing water bills
Collecting water bills

4 procedures for the supply of materials and supplies



2 PROCEDURES FOR NEW CUSTOMERS



Module : INTRODUCTION TO THE PROCEDURE FOR PREPARING WATER BILLS	Code : OPF 011
	Edition : 17-04-1985
Section 1 : INFORMATION SHEET	Page : 01 of 01/11

Duration :	45 minutes.
Training objectives :	After this session, the trainee will be able to: - recite the objectives of the Procedure for Preparing Water Bills; - explain correctly the step-by-step sequence of this Procedure.
Trainee selection :	- Director PDAM/Head BPAM; - All Department Heads; - All Section Heads.
Training aids :	- Viewfoils: OPF 011/V 1-4; - Handout : OPF 011/H 1.
Special features :	Implementation of the steps of this procedure is explained in separate modules.
Keywords :	Procedure/billing/meter reading/Water Bills.

1. Introduction

The objective of Water Enterprises is to supply water to the community.

Costs for supplying water must be recovered by billing customers for water consumed.

The continuity and future development of the WE depends on adequate billing.

Adequate billing means:
- Water bills must be correct;
- Water bills must be ready on time;
- The Water Enterprises must keep proper records of amounts due from each customer (= customer accounts)

Show V 1

Billing is extra complicated by
- the large volume of customers;
- water bills are based on actual consumption;
- water bills are due the first day of each month.

That means we need people
- to read water meters;
- to calculate water bills;
- to write water bills;
- to file water bills;
- to receive payments for water bills;
- to administrate customer accounts; etc.

all working according a fixed time schedule.

The accounting system has organized billing in 2 procedures which are called
- the Procedure for Preparing Water Bills;
- the Procedure for Collecting Water Bills.

Show V 2

The first procedure which is dealt with now is the Procedure for Preparing Water Bills.

2. **Objectives of the Procedure**	
The Procedure for Preparing Water Bills is a working arrangement which organizes people and activities for - establishing the amount of water consumed by customers; - calculating and preparing Water Bills; - keeping record of amounts due from customers.	Show V 3
Proper implementation of this procedure will result in Water Bills, correctly calculated and easy retrievable, waiting for customers to come and pay.	
3. **Steps**	
Ask the participants to identify the activities of the Procedure and who should do them.	Write answers on whiteboard
Order answers and evaluate together.	
Recapitulate the procedure which is as follows:	Show V 4
The procedure consists of 6 steps involving and 2 (two) sections the Director PDAM/Head BPAM. The procedure comprises:	
a. **Meter Reading**	
Activities: - Once per month. - Routes of meters to be read are scheduled by special lists. - Meter Readers record figures on water meter on that list and on a special card which is kept with the meter.	
Involved persons/sections: - Customer Relations : Meter Reader.	

b. **Calculation of Water Bills**

Activities:
- Compare figures of this month with those of last month and reject deviations which cannot be explained for a second reading;
- Calculate Water Bills in accordance with prevailing water rates.

Involved persons/sections:
- Billing : Billing Clerk.

c. **Preparation of Water Bills**

Activities:
- Writing Water Bills.

Involved persons/sections:
- Billing : Billing Clerk.

d. **Signing of Water Bills**

Activities:
- Supervision;
- Legalization.

Involved persons/sections:
- Director PDAM/Head BPAM.

e. **Filing of Water Bills**

Activities:
- File the Water Bills into the Customer Envelopes (one envelope per customer);
- Record Water Bill on envelopes;
- Customer Envelopes are kept at the payment counters.

Involved persons/sections:
- Customer Relations: Bill Filing Clerk.

f. **Bookkeeping**
- Record transactions;
- Verification.

Involved persons/sections:
- Bookkeeping.

4. **Discussions**

Discuss the procedure with the participants by asking among others:
- Why do you need a card with the customer?
- How can we control Meter Readers?
- What happens if Water Bills are not available at the first day of the month?
- Why do we have to file Water Bills in the Customers Envelopes?
- Why do Water Bills have to be signed by the management?

5. **Summary**

Billing is a vital activity of a WE.

Billing is organized in 2 procedures: Show V 2
- the procedure for Preparing Water Bills;
- the procedure for Collecting Water Bills.

The Procedure of Preparing Water Bills is a <u>working arrangement</u> which organizes <u>people</u> and <u>activities</u> for: Show V 3
- establishing the amount of water consumed by customers;
- calculating and preparing Water Bills;
- keeping records of amounts due from customers.

The Procedure consists of 6 steps involving 2 sections and the management: Show V 4
- meter reading;
- calculation of Water Bills;
- preparation of Water Bills;
- signing of Water Bills;
- filing of Water Bills;
- bookkeeping.

Reminder

Adequate billing means:
- Water Bills correct;
- Water Bills on time;
- Customer accounts up to date.

Show V 1

Distribute H 1

Module : INTRODUCTION TO THE PROCEDURE FOR PREPARING WATER BILLS	Code : OPF 011
	Edition : 09-03-1985
Section 3 : T R A I N I N G A I D S	Page : 01 of 01

Adequate Billing — OPF 011/V 1

ADEQUATE BILLING MEANS :

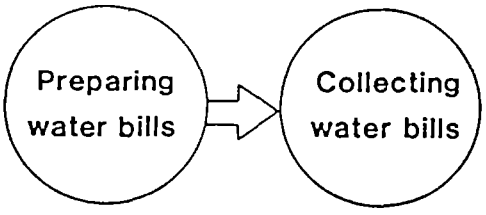
WATER BILLS CORRECT

WATER BILLS ON TIME

CUSTOMER ACCOUNTS UP TO DATE

The 2 Procedures of Water sales — OPF 011/V 2

2 procedures for water sales

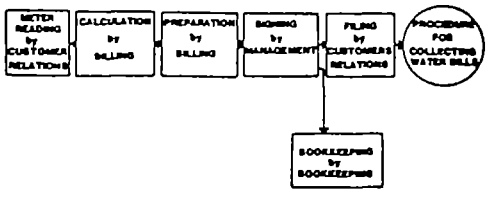


Objectives of the Procedure for Preparing Water Bills — OPF 011/V 3

The procedure for preparing Water Bills is a working arrangement to organize people and activities for :

- Establishing consumption of customers
- Preparing water bills
- Recording amounts due from customers

Flowchart of the Procedure for Preparing Water Bills — OPF 011/V 4



Introduction to the Procedure for Preparing Water Bills — OPF 011/H 1

1. INTRODUCTION

The objective of each Water Enterprise is to supply clean water to the community. The costs incurred by the Water Enterprise for supplying water, should be recovered by billing the customers for the water consumed by them. Billing is therefore a vital activity for the Water Enterprise: without adequate billing the continuity and future development of the Water Enterprise is not guaranteed.

When we talk about billing, we have at all times to remember that we are in fact talking about people, our customers. Like any other group of people they require correct treatment if we want them to do what we want. In this case: to pay their bills on time. In other words, this implies that our water bills should be correct and available on time. And to make sure that each customer pay his bills, we need to keep track of the amounts due from each customer. Therefore, customer accounts are kept which record all outstanding payments per client.

Billing is a relative simple activity, but is complicated by 3 factors:

- The large volume of customers:
  this will require different persons doing different activities who must be coordinated.

- Water bills are based on actual consumption:
  this will require that water meters have to be read.

- Water bills come due the first day of each month:
  Water bills which are too late will result in customers who come in vain to pay their bills (with all negative consequences) or who will not have cash available for paying their Water Bills at the time the bill becomes available.

To organize billing, two accounting procedures have been designed which are called:
- the Procedure for Preparing Water Bills;
- the Procedure for Collecting Water Bills.

The first procedure, which is dealt with now, is the procedure for Preparing Water Bills.

2. OBJECTIVES OF THE PROCEDURE

The Procedure for Preparing Water Bills is a working arrangement which organizes people and activities for:

- Determining the amount of water consumed by the customer (i.c. reading of meters);
- Calculating and preparing the Water Bills;
- Keeping records of amounts due from customers.

Proper implementation of this procedure will result in Water Bills, correctly calculated and easy retrievable, waiting for customers to come and pay.

3. STEPS

The procedure consists of 6 steps and involves 2 sections and the Director PDAM/Head BPAM.

These steps comprise (see fig. 1).

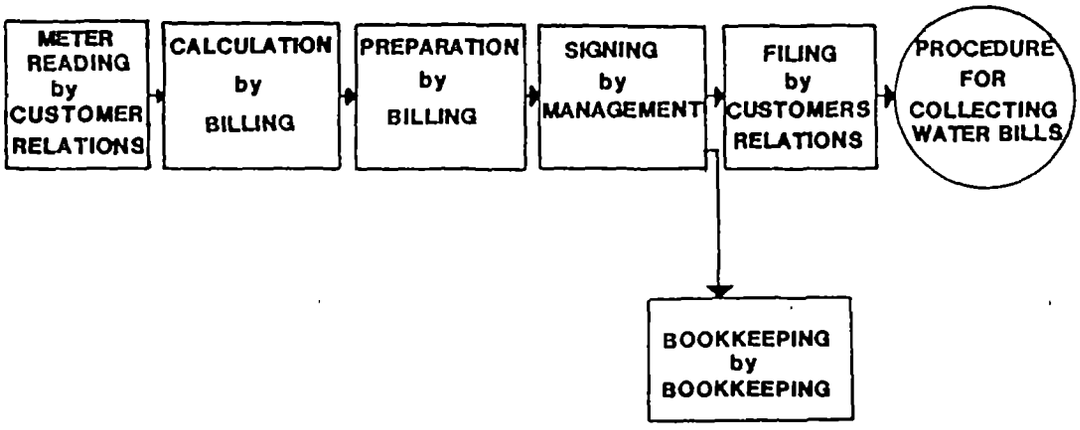


Fig. 1. Flowchart.

a. Meter reading

Activities
- Meters are read each month.
- Routes for meter readers are scheduled by special lists.
- Figures of meters are recorded on that list and a special card which is kept with the meter.

Involved persons/sections:
- Customer Relations Section: Meter Reader.

b. **Calculation of Water Bills**

Activities:
- Meter readings are compared with last month's figures and the volume of consumed water is determined;
- Deviations are rejected and need a second reading;
- Water Bills are calculated by multiplying consumption with prevailing water rates.

Involved persons/sections:
- Billing Sub-section: Billing Clerk.

c. **Preparation of Water Bills**

Activities:
- Water Bills are writen, based on calculations of the previous step.

Involved persons/sections:
- Billing Sub-section: Billing Clerk.

d. **Signing of Water Bills**

Activities:
- Supervision on the correctness of Water Bills by signing the bills;
- Legalization of Water Bills and corresponding growth of enterprise assets (= wealth).

Involved persons/sections:
- Director PDAM/Head BPAM.

e. **Filing of Water Bills**

Activities:
- Water Bills are filed in Customer Envelopes (one customer = one envelope) which contain all outstanding bills per customer;
- Amount of Water Bills is recorded on the envelope;
- Customer Envelopes are kept with the payment counters.

Involved persons/sections:
- Customer Relation Section: Filing Bill Clerk.

f. **Bookkeeping**

Activities:
- Recording of these transactions.
- Verification.

Involved persons/sections:
- Bookkeeping Section: Bookkeeper.

4. SUMMARY

The Water Enterprise depends on billing to recover its costs for supplying water to the community.

Billing requires people conducting different activities which are strongly interrelated, within a fixed time schedule. This is organized in 2 (two) procedures called:
- the Procedure for Preparing Water Bills;
- the Procedure for Collecting Water Bills.

The Procedure of Preparing Water Bills is a working arrangement which organizes people and activities for:
- establishing the amount of water consumed by customers;
- calculating and preparing water bills;
- keeping records of amounts due from customers.

This procedure consists of 6 steps involving 2 sections and the management.
- meter reading;
- calculation of Water Bills;
- preparation of Water Bills;
- signing of Water Bills;
- filing of Water Bills;
- bookkeeping.

Remember!

Adequate billing means:
- Water bills correct.
- Water bills on time.
- Customer accounts up to date.

* * *

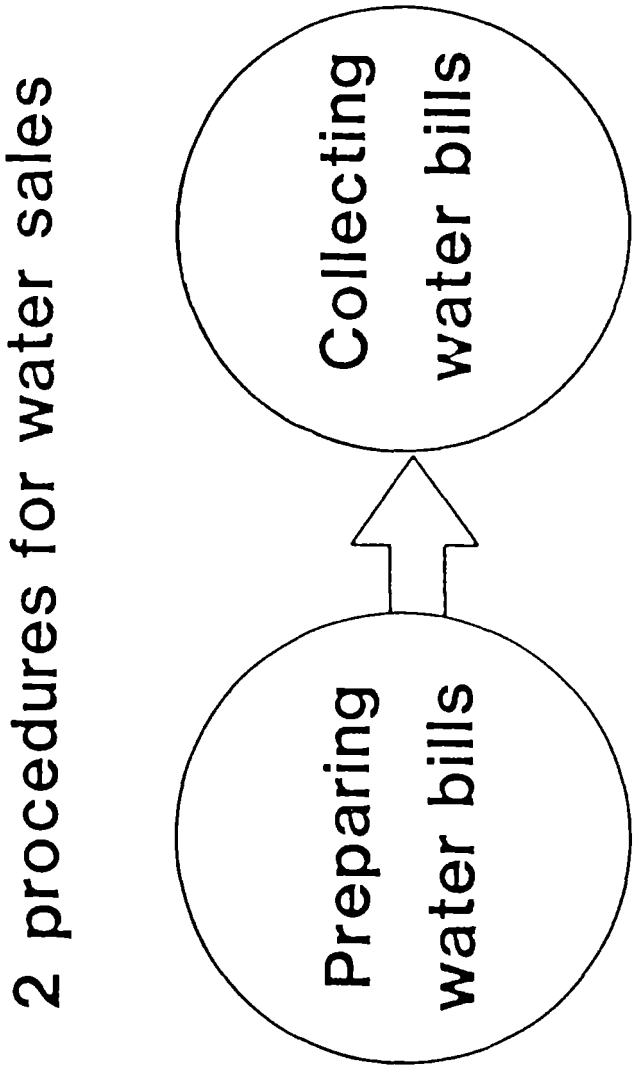
TITLE :	CODE :
1. Adequate billing	OPF 011/V 1
2. 2 procedures for water sales	OPF 011/V 2
3. Objectives of the procedure for preparing water bills	OPF 011/V 3
4. Flowchart of the procedure for preparing water bills	OPF 011/V 4

ADEQUATE BILLING MEANS :

WATER BILLS CORRECT

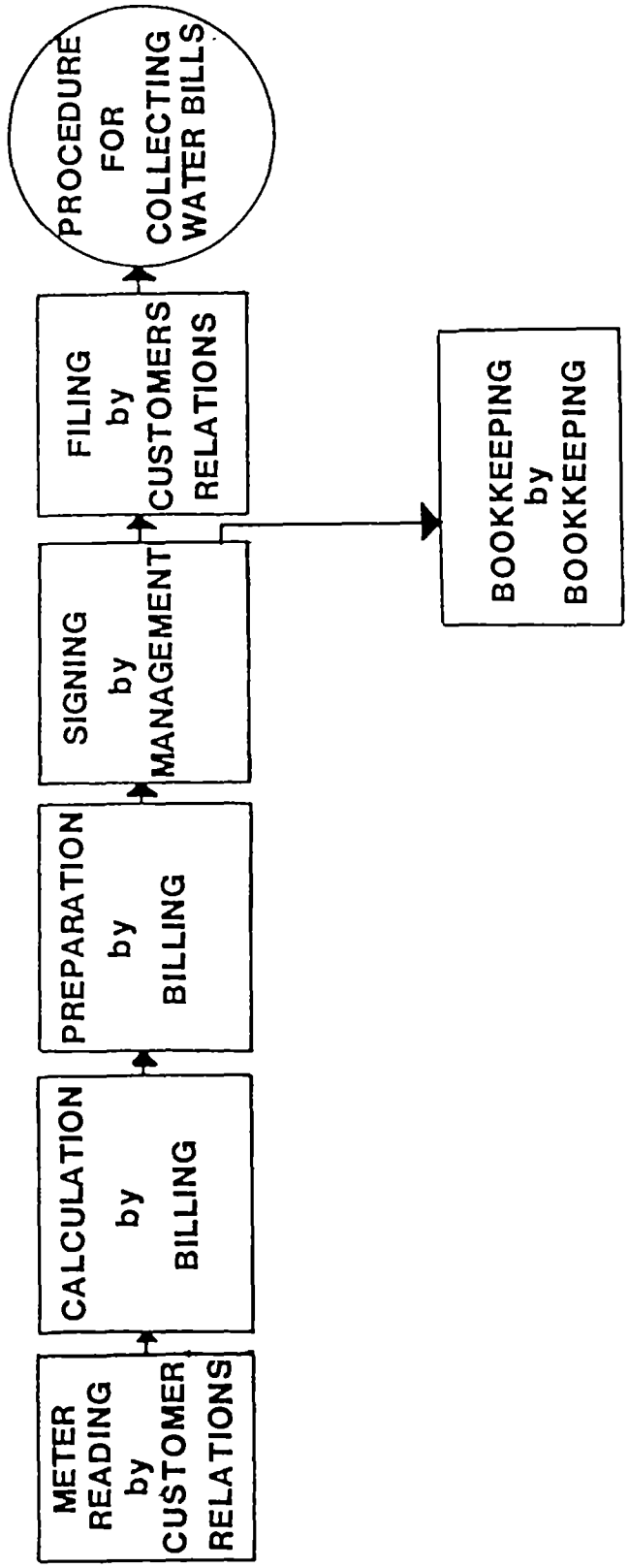
WATER BILLS ON TIME

CUSTOMER ACCOUNTS UP TO DATE


2 procedures for water sales
Preparing water bills
Collecting water bills

The procedure for preparing Water Bills is a working arrangement to organize people and activities for :

* Establishing consumption of customers
* Preparing water bills
* Recording amounts due from customers


METER READING by CUSTOMER RELATIONS
CALCULATION by BILLING
PREPARATION by BILLING
SIGNING by MANAGEMENT
FILING by CUSTOMERS RELATIONS
PROCEDURE FOR COLLECTING WATER BILLS
BOOKKEEPING by BOOKKEEPING

Module : INTRODUCTION TO THE PROCEDURE FOR COLLECTING WATER BILLS	Code : OPF 012
	Edition : 17-04-1985
Section 1 : INFORMATION SHEET	Page : 01 of 01/10

Duration :	45 minutes.
Training objectives :	After this session, the trainee will be able to: - recite the objectives of the Procedure for Collecting Water Bills; - explain correctly the step-by-step sequence of this Procedure.
Trainee selection :	- Director PDAM/Head BPAM; - All Department Heads; - All Section Heads.
Training aids :	- Viewfoils : OPF 012/V 1-3; - Handout : OPF 012/H 1.
Special features :	Implementation of the steps of this procedure is explained in seperate modules.
Keywords :	Procedure/billing/collection/Water Bills.

1. Introduction

Water Enterprises depend on billing to recover their expenses from the customers they serve.

Water Enterprises prefinance their costs. The customers will only pay them back after 3 or 4 months time.

Efficient collection of outstanding Water Bills does not only mean how much is collected but also when payments are collected.

How can we collect from our customers?
- collect door-to-door;
- open payment counters (or via banks) where customers can come and pay (with or without notice from the Water Enterprise on the amount to be paid).

In the second case, we have to make it attractive for the costomer to come to our counter. That means our service has to be polite, correct and fast. We have to be able to retrieve all outstanding bills of a customer in an effective manner.

Collection of Water Bills is organized in the procedure of the same name and follows after the Procedure for Preparing Water Bills. This procedure is based on collection via payment counters.

Show V 1

2. Objectives of the procedure

The Procedure for Collecting Water Bills is a working arrangement which organizes people and activities to:
- collect payments due from customers in an effective and efficient manner;
- update customer accounts.

Show V 2

3. **S t e p s**

Ask participants to identify the activities of the Procedure and who is involved.

Write answers on whiteboard

Order answers and evaluate together.

Recapitulate the procedure which is as follows:

Show V 3

The procedure consists of 4 steps involving Supervisory Management and 3 Sub-Sections.

The procedure comprises:

a. <u>Retrieval of water bills.</u>

Activities:
After identification of the customer, outstanding Water Bills are taken from his Customer Envelop and given to the Cashier.

Involved persons/sections:
- Customer Relations Section: - Bill Filing Clerk.

b. <u>Payment of water bills.</u>

Activities:
- Receive payment from customer;
- If required: add fine for late payments;
- Customer retains original Water Bill.

Involved persons/sections:
- Cash section: Cashier.

c. <u>Deposit of received payments.</u>

Activities:
- The responsible supervisor checks at the end of each day the money received and the Water Bills taken out.
- Money is deposited at the bank.

Involved persons/sections:
- Supervisor;
- Cash Section: Cashier.

d. Bookkeeping

Activities:
- Recording of transactions;
- Verification.

Involved persons/sections:
- Bookkeeping.

4. **Discussions**

Discuss the Procedure by asking a.o.:

- Why do we have to give the original Water Bill to the customer?
- How often should we deposit received money?
- Are we allowed to replenish our Petty Cash with received payments and if so, why?
- How can we tally the cash inflow with Water Bills paid?

5. **Summary**

Water Enterprises depend on their billing to recover expenditures.

The procedure for collecting Water Bills is a working arrangement which organizes people and activities to:

Show V 2

- Collect payments due from customers in an effective and efficient manner.
- Update customer accounts.

This procedure follows after the Procedure for Preparing Water Bills.

The procedure consists of 4 steps involving Supervisory management and 3 sub-sections:
- retrieval of Water Bills;
- payment of Water Bills;
- deposit of payments;
- bookkeeping.

Show V 3

Reminder

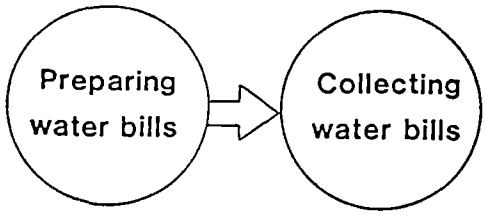
We depend on our customers to come and pay. Our service should be polite, correct, and fast.

Give H 1

Module : INTRODUCTION TO THE PROCEDURE FOR COLLECTING WATER BILLS	Code : OPF 012
	Edition : 09-03-1985
Section 3 : T R A I N I N G A I D S	Page : 01 of 01

2 Procedures for Water Sales — OPF 012/V 1

2 procedures for water sales

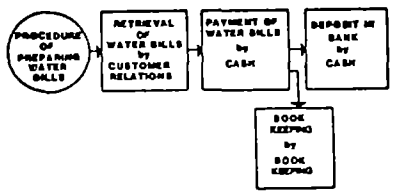


Objectives of the Procedure for Collecting Water Bills — OPF 012/V 2

COLLECT PAYMENTS DUE FROM CUSTOMERS IN AN EFFECTIVE AND EFFICIENT MANNER

UP DATE CUSTOMER ACCOUNTS

Flowchart of the Procedure for Collecting Water Bills — OPF 012/V 3



Introduction to the Procedure for Collecting Water Bills — OPF 012/H 1

1. INTRODUCTION

Each day Water Enterprises incur costs to supply water to their customers. These costs will be recovered from the customers by billing them for water consumed. There is, however, a significant time gap between the moment costs are incurred and when payments for water are received. During that period of time, usually 3-4 months, the Water Enterprise has to finance its costs.

Efficient collection of outstanding Water Bills does not only take into consideration how much is collected but also when payment are collected.

There are two generally applied methods of collecting Water Bills. The first methods is collecting door-to-door which is maybe effective but also expensive. The second method which we will discuss hereafter, is opening payment counters for the public to come and pay. To make sure that our customers will come, we have to make it attractive for them to pay. That implies our service has to be polite, correct, and fast. It also means that when our customer comes to pay, all his outstanding bills are presented to him for payment. We might even consider informing customers in advance on the amount due.

The second procedure in the billing process which is named the Procedure for Collecting Water Bills, deals with the problem of quick retrieval of Water Bills, payments and control of the cash inflow as well the updating of our customer accounts.

2. OBJECTIVES OF THE PROCEDURE

The Procedure for Collecting Water Bills is a working arrangement which organizes people and activities to:

- collect payments due from customers in an effective and efficient manner;
- update customer accounts.

3. S T E P S

The procedure consists of 4 steps and involves Supervisory Management and 3 Sub-Sections.
These comprise (See Fig. 1.)

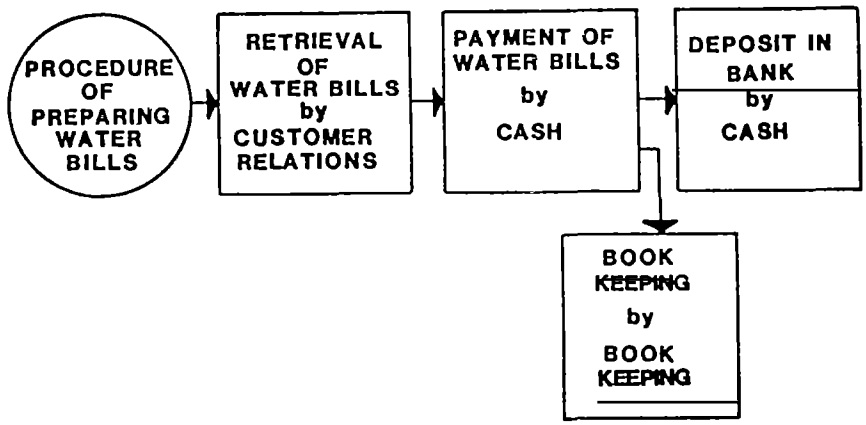


Fig. 1. Flowchart.

a. <u>Retrieval of Water Bills.</u>

Activities:
- Retrieval of outstanding Water Bills from Customer Envelope.
- Pass outstanding Water Bills to Cashier.
- Record on Customer Envelope.

Involved persons/sections:
- Customer Relations Section: Bill Filing Clerk;
- Cash section: Cashier.

b. <u>Payment of Water Bills.</u>

Activities:
- Receive payments from customer;
- If required: add fine for late payments;
- Give original Water Bill to customer.

Involved persons/sections:
- Cash Section: Cashier.

c. Deposit of received payments.

Activities:
- Check cash inflow vs. Water Bills paid;
- Deposit money at bank.

Involved persons/sections:
- Supervisory Management (Department Head, Branch Head);
- Cash Section: Cashier.

d. Bookkeeping.

Activities:
- Recording of transactions.
- Verification.

Involved persons/sections:
- Bookkeeping Section.

4. SUMMARY

Water Enterprises depend on billing to recover their expenditures. Efficient billing does not only mean how much is received but also when payments are received.

Billing is split into two procedures:
- the Procedure for preparing Water Bills;
- the Procedure for collecting Water Bills.

The Procedure for collecting Water Bills is a working arrangement which organize people and activities to:
- collect payments due from customers in an effective and efficient manner;
- update customer accounts.

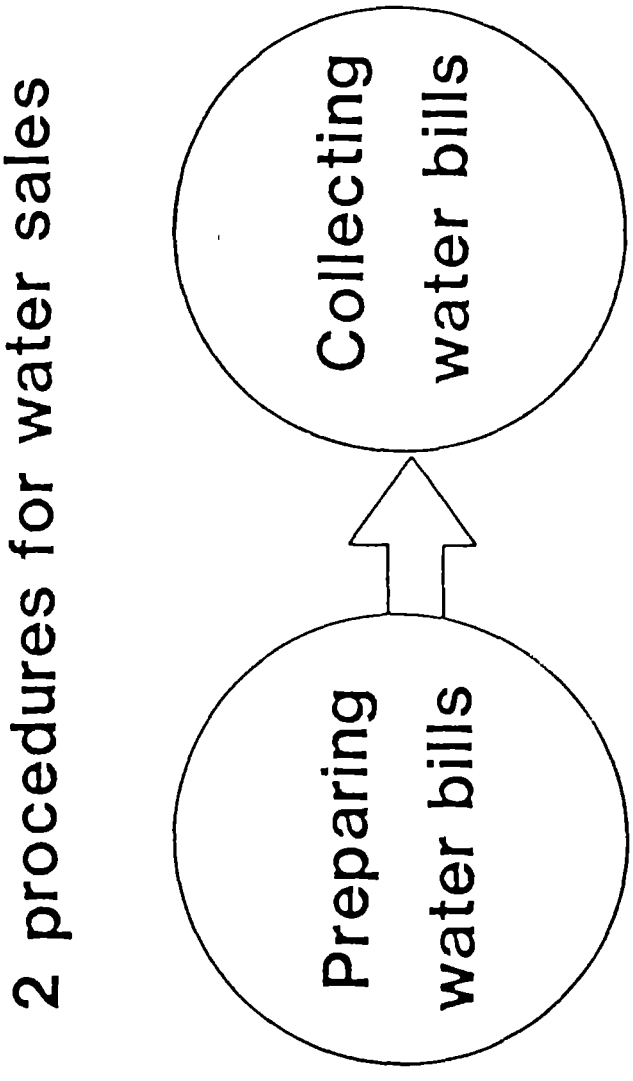
The procedure consists of 4 steps involving 3 subsections and supervisory managment:
- retrieval of Water Bills;
- payment of Water Bills;
- deposit of payments;
- bookkeeping.

Remember

We depend on our customers to come to us and pay their water bills. Our service should be polite, correct, and fast.

* * *

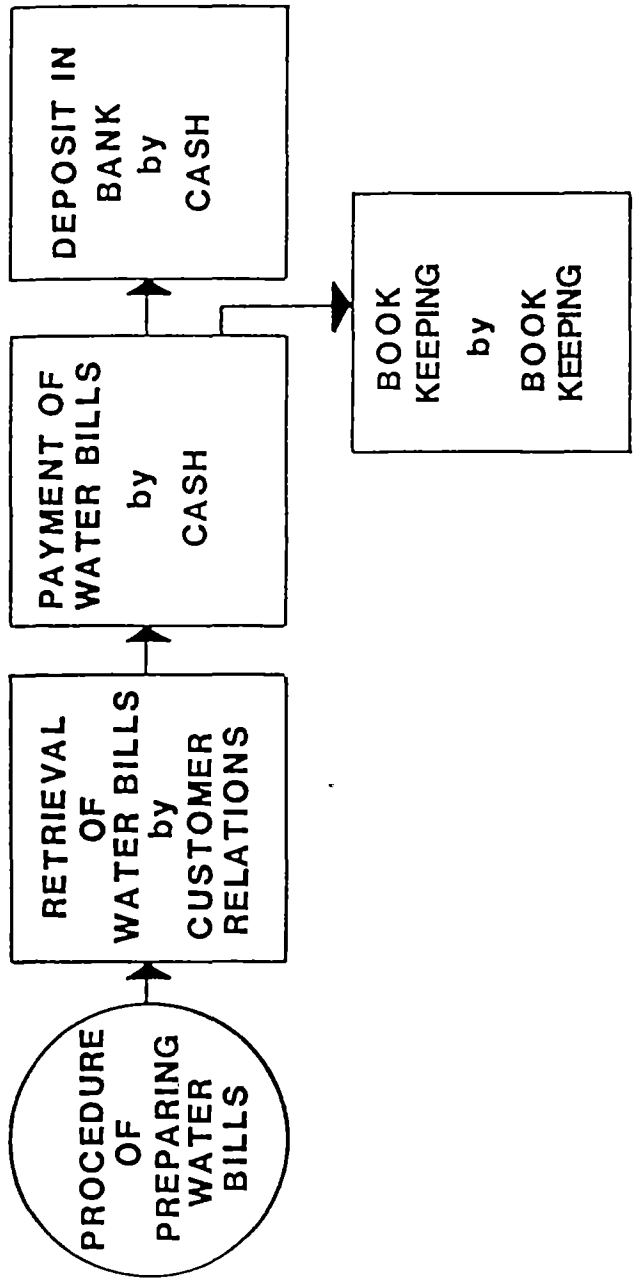
TITLE :	CODE :
1. 2 procedures for water sales	OPF 012/V 1
2. Objectives of the procedure for collecting water bills	OPF 012/V 2
3. Flowchart of the procedure for collecting water bills	OPF 012/V 3


2 procedures for water sales
Preparing water bills
Collecting water bills

COLLECT PAYMENTS DUE FROM CUSTOMERS IN AN EFFECTIVE AND EFFICIENT MANNER

UP DATE CUSTOMER ACCOUNTS

Flowchart of the procedure for collecting water bills OPF 012/V 3



Module : **INTRODUCTION TO THE PROCEDURE FOR REQUESTING PURCHASE AND ORDERING OF MATERIALS AND SUPPLIES**	Code : OPF 013 Edition : 09-03-1985
Section 1 : I N F O R M A T I O N S H E E T	Page : 01 of 01/11

Duration	45 minutes.
Training objectives	After this session, the trainee will be able to: - recite the objectives of the Procedure Requesting Purchase and Ordering of Materials and Supplies; - explain in the correct order the step-by-step sequence of this procedure.
Trainee selection	- Director PDAM/Head BPAM; - Head of the Technical Department; - All Section Heads.
Training aids	- Viewfoils : OPF 013/V 1-5; - Handout : OPF 013/H 1.
Special features	Implementation of the steps of this procedure is explained in seperate modules.
Keywords	Procedure/materials/purchase/minimum stock/request purchase.

1. Introduction

A smooth supply of materials is vital for reliable operations.
Water Enterprises will have to keep stock for this purpose.

Keeping stock, however, is expensive and should be reduced to a minimum without endangering the reliability of our operations.

We have to take 2 major decisions for replenishment of stock:
- when to place an order;
- how much should be ordered.

Show V 1

When to order depends on:
- lead time;
- size of the order.

How much to order depends on:
- additional costs of placing an extra order;
- transportation costs;
- quantity discounts;
- the costs of being out of stock;
- etc.

A minimum stock level must be determined for each item carried in stock and selected in such a way that stock still will be available during the lead time.

Show V 2

Ordering stock is organized in the Procedure for Requesting Purchase and Ordering Materials.

This procedure is the first of 4 (four) procedures which control the whole process of ordering and issueing materials and supplies.

These procedures are:
- procedure for requesting purchase and ordering of materials and supplies;
- procedure for receiving materials and supplies;
- procedure for paying materials and supplies;

Show V 3

- procedure for issueing materials and supplies.	
2. Objectives of the procedure	
The procedure for requesting purchase and ordering materials and supplies is a working arrangement which organizes <u>people</u> and <u>activities</u> to: - minimize inventory costs; - make sure that stock levels will not fall below minimal acceptable levels; - reorder materials and supplies in due time; - select suppliers with the most favourable conditions for the Water Enterprise; - fix payment schedules in accordance with the financial resources of the Water Enterprise.	Show V 4
3. S t e p s	
Ask the participants to identify the activities of the procedure and who should carry out these activities.	Write answers on whiteboard
Order answers and evaluate together.	
Recapitulate the procedure as follows. The procedure consists of 3 (three) steps involving. The Director PDAM/Head BPAM, the Head of the Finance/Administration Department and 2 Subsections. The procedure comprises:	Show V 5
a. <u>Check minimum stock levels.</u> **Activities** - Check stock cards for items which are approaching its minimum stock level and should be replenished; - Prepare a list requesting purchase of materials and supplies; - Approval by the Head of the Finance and Administration Department;	

Involved persons/sections:
- Sub-section Warehousing;
- Head of the Finance and Administration Department.

b. Select supplier.

Activities
- Collect information regarding prices, payment terms, reliability of supplier with respect to meeting delivery dates, and quality of products;
- Select supplier based on price, quality and payment terms;
- Approval by the Head of the Finance and Administration Department.

Involved persons/sections:
- Sub-Section Purchasing;
- Head of the Finance and Administration Department.

c. Order materials and supplies.

Activities
- Prepare purchase order;
- Approval by Director PDAM/Head BPAM;
- Send purchase order to supplier.

Involved persons/sections:
- Sub-section Purchasing;
- Director PDAM/Head BPAM.

4. **Discussion**

Discuss the procedure with the participants by asking among others:

- Why is stock keeping expensive?
- Is allowed to let stock levels fall below minimum stock levels?
- Should there be a minimum stock level for each item in stock?
- Should each purchase order be signed by the Director PDAM/Head BPAM?

5. **Summary**

Keeping stock is expensive and should be reduced to a minimum without endangering the reliability of our operations.

Purchasing decisions for stock replenishment are regulated by the Procedure for Requesting Purchase and Ordering Materials and Supplies.

This procedure is the first of 4 (four) procedures which control the process of ordering and issueing materials.

Show V 3

The Procedure for Requesting Purchase and Ordering Materials and Supplies is a working arrangement which organizes people and activities to:
- minimize inventory costs;
- make sure that stock levels will not fall below minimal acceptable levels;
- reorder materials and supplies in due time;
- select suppliers with the most favourable conditions for the Water Enterprise;
- fix payment schedules in accordance with the financial resources of the Water Enterprise.

Show V 4

The procedure consists of 3 (three) steps involving management and 2(two) subsections.

Show V 5

The procedure comprises:
- checking minimum stock levels;
- selecting a supplier;
- ordering materials and supplies.

Remember:

Two decisions are important when ordering materials:
- when to order;
- how much to order.

Show V 1

Give H 1

Module : INTRODUCTION TO THE PROCEDURE FOR REQUESTING PURCHASE AND ORDERING OF MATERIALS AND SUPPLIES	Code : OPF 013
	Edition : 09-03-1985
Section 3 : T R A I N I N G A I D S	Page : 01 of 01

The 2 major decisions for reordering materials — OPF 013/V 1

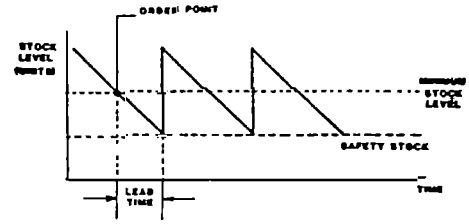
WHEN TO ORDER

- Lead time
- Size of the order

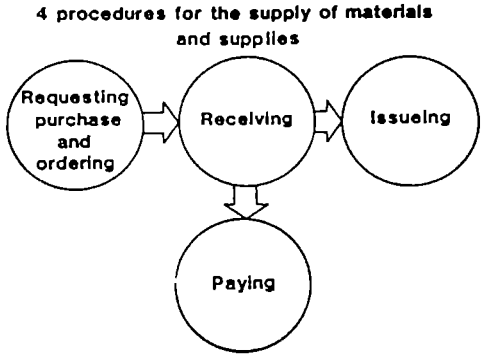
HOW MUCH TO ORDER

- Additional costs of ordering
- Transportation costs
- Quantity discounts
- Costs of being out of stock

Minimum stock levels — OPF 013/V 2



4 Procedures for Supply of Materials and Supplies — OPF 013/V 3



The objectives for the Procedure for Requesting Purchase and Ordering of Materials and Supplies — OPF 013/V 4

minimize inventory costs

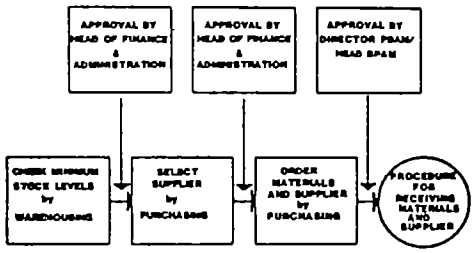
stock levels will not fall below minimally acceptable levels

reorder in due time

select suppliers with the most favourable conditions

fix payment schedules in accordance with financial resources

Flowchart of the Procedure for Requesting Purchase and Ordering of Materials and Supplies — OPF 013/V 5



Introduction to the Procedure for Requesting Purchase and Ordering of Materials and Supplies — OPF 013/H 1

1. INTRODUCTION

It is impossible to operate a Water Enterprise without interruption if there is no smooth supply of materials. Water Enterprises will have to keep stock for this purpose. Keeping stock, however, is expensive and should be reduced to a minimum without endangering the reliability of our operations.

When we consider the re-order of materials, we have to take 2 (two) major decisions. We have to decide:
- when to place an order;
- how much should be ordered.

The decision when to place an order will depend on the lead time (the time interval between placing an order and receiving delivery) and the size of the order. The decision how much to order depends on aspects such as the additional costs of placing an extra order, transportation costs, quantity discounts, the costs being out of stock, etc.

For practical reasons, an order point should be determined for each item carried in stock. This order point is widely known as the minimum stock level and should be selected in such a way that stock will still be available during the lead time (refer to fig. 1.).

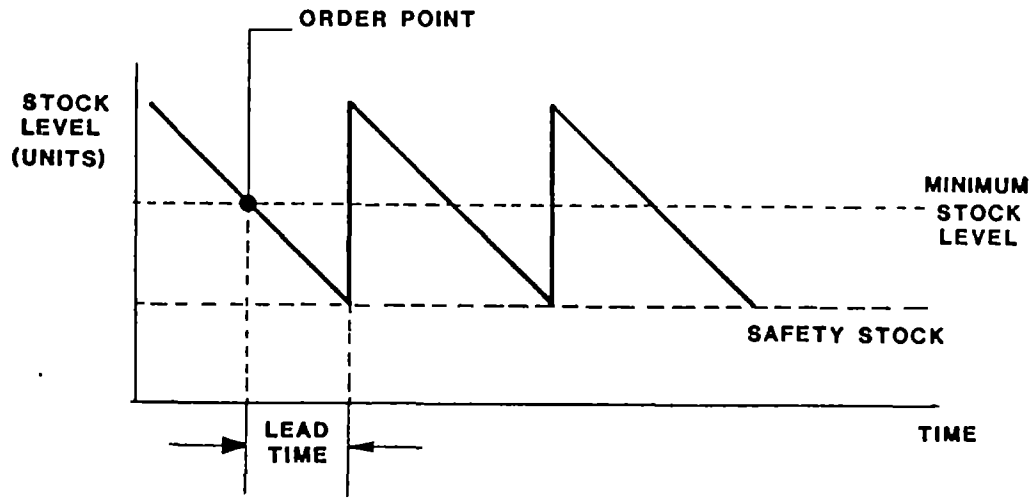


Fig. 1. Minimum stock level.

Ordering stock is complicated by the volume of items usually carried in stock and will result, if not done in the right way, in too much capital tied up in stock. In order to prevent that, the activity is organized in the Procedure for Requesting Purchase and Ordering Materials. This procedure is the first of 4 procedures which control the whole process of ordering and issueing materials and supplies.

These procedures are:
- Procedure for requesting purchase and ordering of materials and supplies;
- Procedure for receiving materials and supplies;
- Procedure for paying materials and supplies;
- Procedure for issueing materials and supplies.

2. OBJECTIVES OF THE PROCEDURE

The Procedure for Requesting Purchase and Ordering Materials and Supplies is a working arrangement wich organizes people and activities to:
- minimize inventory costs;
- make sure that stock levels will not fall below minimally acceptable levels;
- reorder materials and supplies in due time;
- select suppliers with the most favourable conditions for the Water Enterprise;
- fix payment schedules in accordance with the financial resources of the Water Enterprise.

3. STEPS

This procedure consists of 3 steps, involving the Director PDAM/Head BPAM, the Head of the Finance and Administration Department and 2 Subsections. The procedure comprises: (see fig. 2).

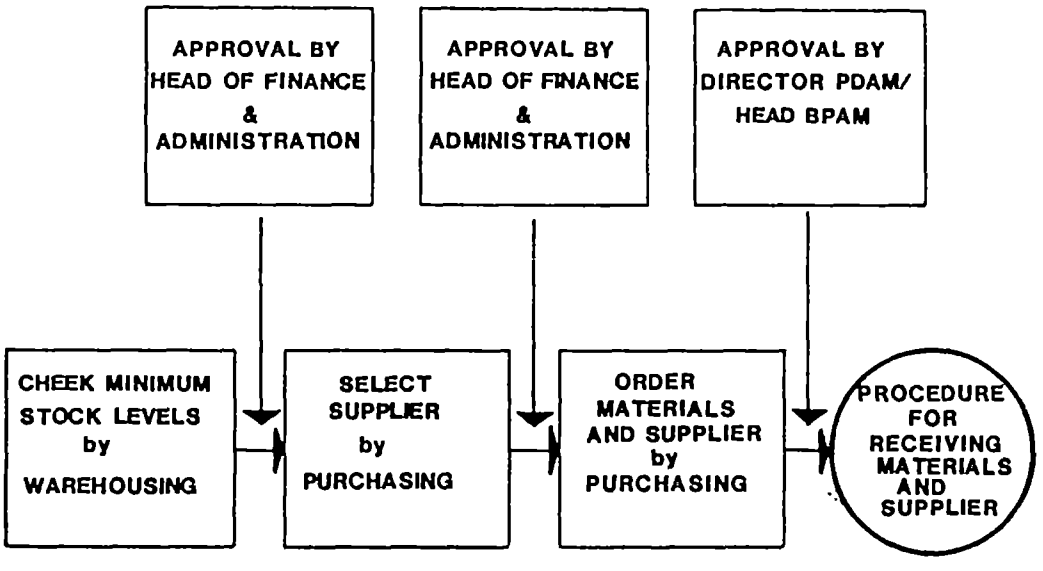


Fig. 2. Flowchart.

a. Check minimum stock levels.

Activities:
- Check Stock Cards for items which are approaching its minimum stock level and should be replenished;
- Prepare a request for purchase of identified materials and supplies (List Requesting Purchase of Materials and Supplies);
- Approval by the Head of the Finance and Administration Department.

Involved persons/sections:
- Sub-section Warehousing;
- Head of the Finance and Administration Department.

b. Select supplier.

Activities
- Collect information regarding prices, payment terms, reliability of supplier with respect to meeting delivery dates, and quality of products;
- Select supplier based on price, quality and payment terms;
- Approval by the Head of the Finance and Administration Department.

Involved persons/sections:
- Sub-section Purchasing;
- Head of the Finance and Administration Department.

c. Order materials and supplies.

Activities
- Prepare Purchase Order;
- Approval by Director PDAM/Head BPAM;
- Send Purchase Order to Supplier.

Involved persons/sections:
- Sub-section Purchasing;
- Director PDAM/Head BPAM.

4. SUMMARY

Water Enterprises keep stock to guarentee a smooth supply of materials and supplies which is vital for reliable operations. Keeping stock is expensive and should be reduced to a minimum without endangering the reliability of our operations.

Purchasing decisions for stock replenishment are regulated by the Procedure for Requesting Purchase and Ordering Materials and Supplies. The procedure is the first of 4 procedures which control the process of ordering and issueing materials.

The Procedure for Requesting Purchase and Ordering Materials and Supplies is a working arrangement which organizes people and activities to:
- minimize inventory costs;
- make sure that stock levels will not fall below minimally acceptable levels;
- reorder materials and supplies in due time;
- select suppliers with the most favourable conditions for the Water Enterprise;

- fix payment schedules in accordance with the financial resources of the Water Enterprise.

The procedure consists of 3 steps involving management and 2 subsections.
The procedure comprises:
- check minimum stock levels;
- select supplier;
- order materials and supplies.

Remember:

Two decisions are important when ordering materials:
- when to order;
- how much to order.

* * *

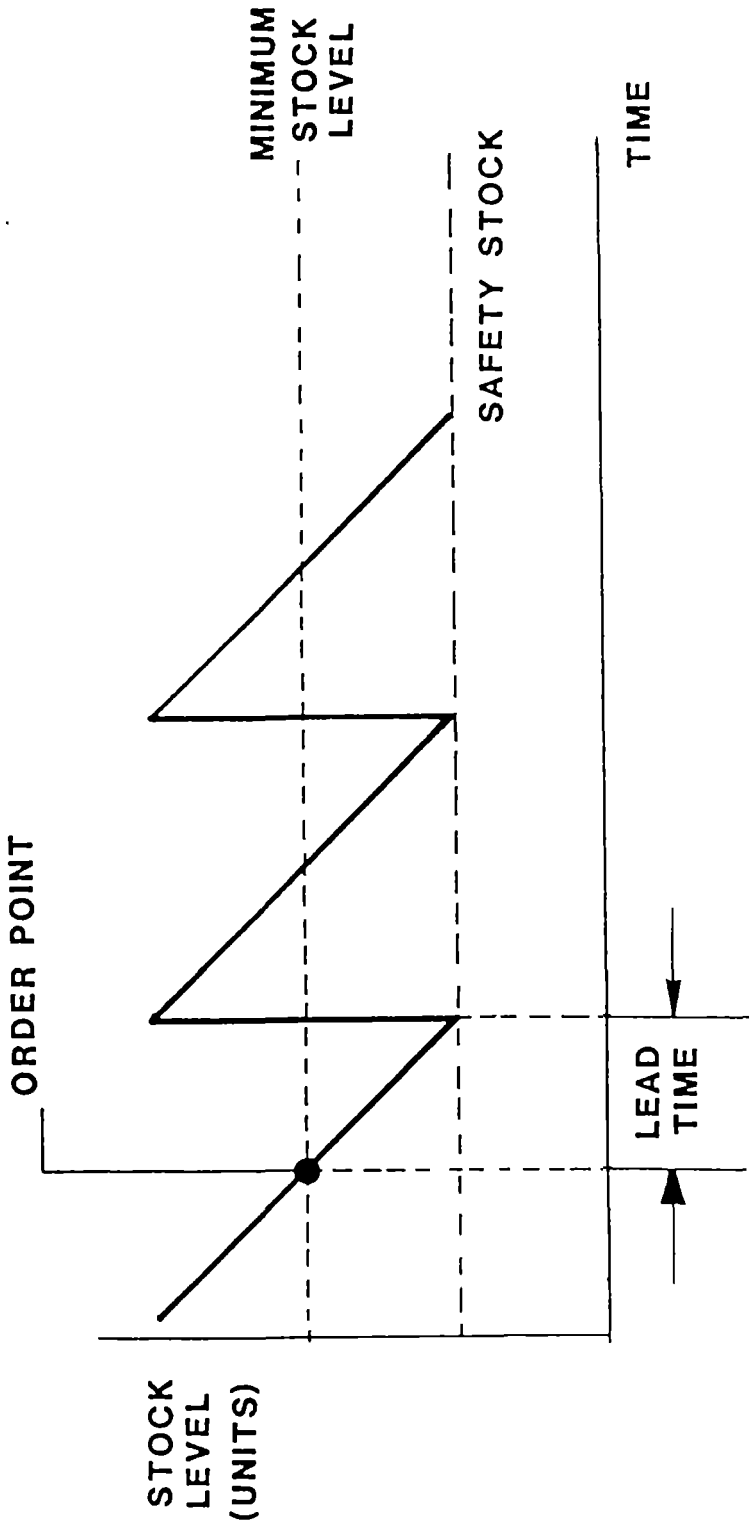
TITLE :	CODE :
1. The 2 major decisions for replenishment of stock	OPF 013/V 1
2. Minimum stock level	OPF 013/V 2
3. 4 procedures for supply of materials and supplies	OPF 013/V 3
4. The objectives for the procedure for requesting, purchase and order of materials and supplies	OPF 013/V 4
5. Flowchart of the procedure for requesting, purchase and order of materials and and supplies	OPF 013/V 5

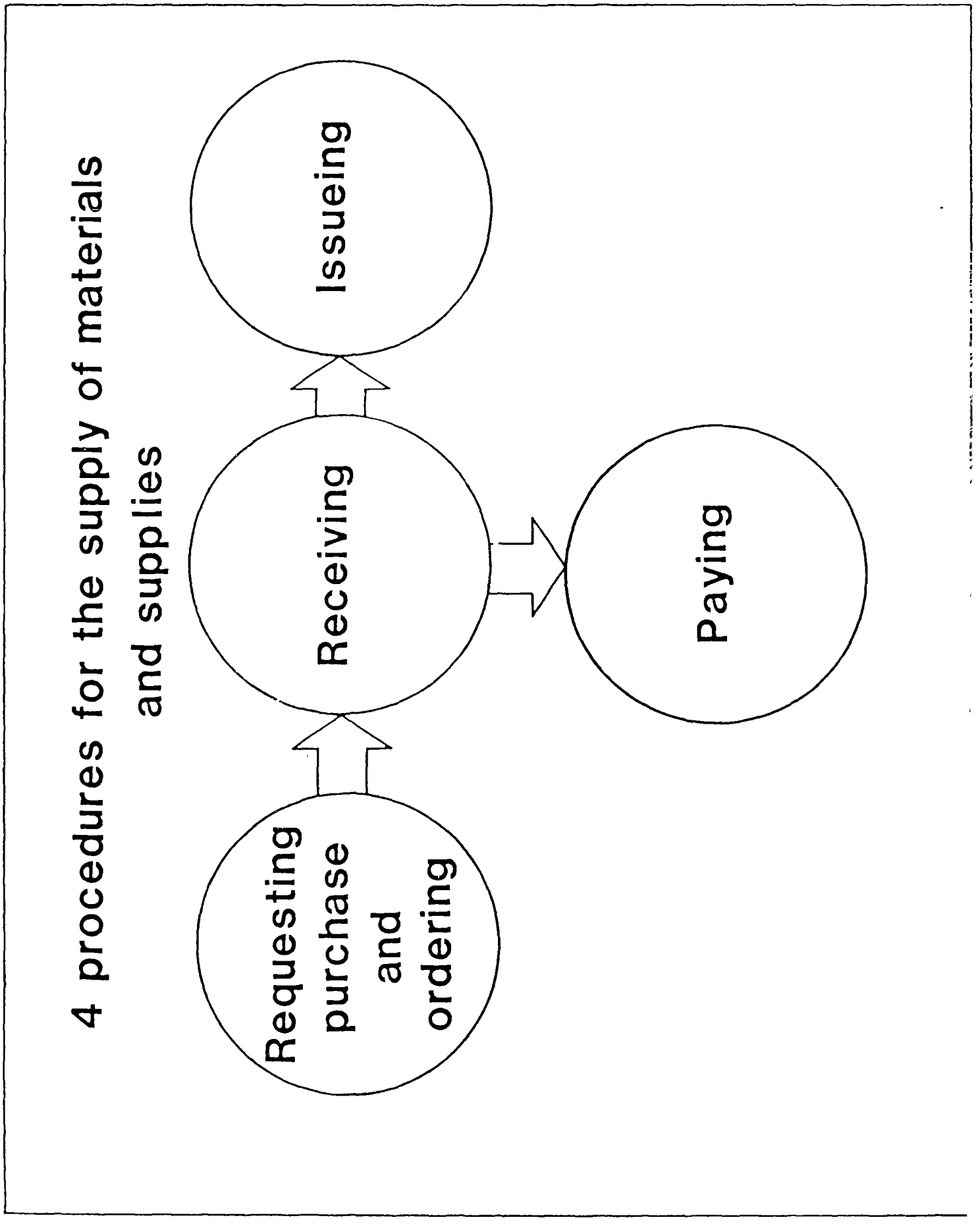
WHEN TO ORDER

- Lead time
- Size of the order

HOW MUCH TO ORDER

- Additional costs of ordering
- Transportation costs
- Quantity discounts
- Costs of being out of stock


ORDER POINT
STOCK LEVEL (UNITS)
MINIMUM STOCK LEVEL
SAFETY STOCK
LEAD TIME
TIME


4 procedures for the supply of materials and supplies
Requesting purchase and ordering
Receiving
Issueing
Paying

minimize inventory costs

stock levels will not fall
below minimally acceptable levels

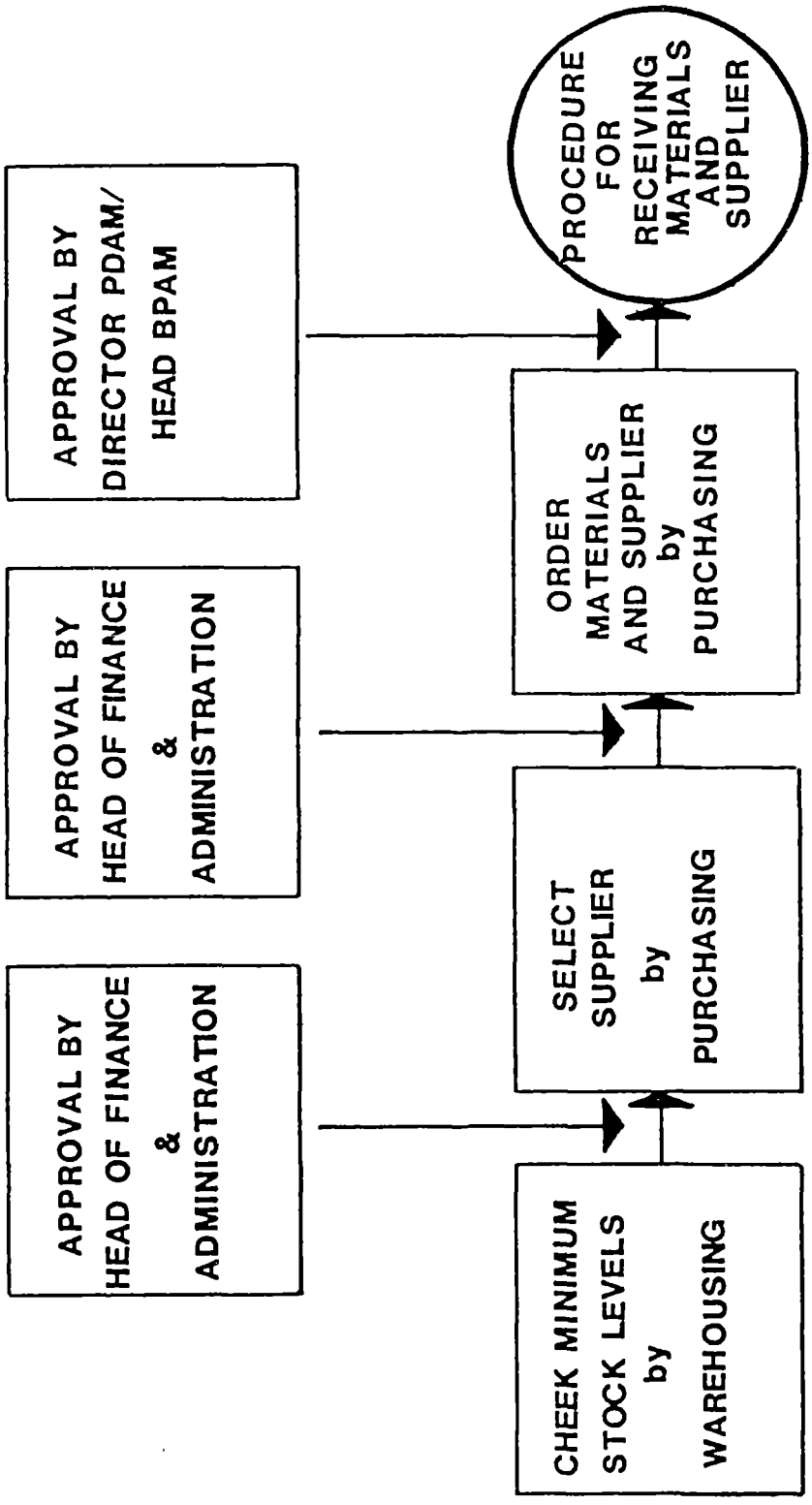
reorder in due time

select suppliers with the most
favourable conditions

fix payment schedules in accordance
with financial resources

Flowchart of the procedure for requesting, purchase and order of materials and and supplies

OPF 013/V 5



Module : INTRODUCTION TO THE PROCEDURE FOR RECEIVING MATERIALS AND SUPPLIES	Code : OPF 014
	Edition : 17-04-1985
Section 1 : INFORMATION SHEET	Page : 01 of 01/13

Duration :	45 minutes.
Training objectives :	After this session, the trainee will be able to: - recite the objectives of the Procedure for Receiving Materials and Supplies; - explain in the correct order the step-by-step sequence of this procedure.
Trainee selection :	- Director PDAM/Head BPAM; - All Department Heads; - All Section Heads.
Training aids :	- Viewfoils: OPF 014/V 1-5; - Handout : OPF 014/H 1.
Special features :	Implementation of the steps of this procedure is explained in separate modules.
Keywords :	Procedure/materials/receipt/storage/stock control.

1. Introduction

The smooth supply of materials and supplies is of vital importance to the reliability of operations.

The decision to order materials and supplies the Water Enterprises is a complex decision and is organized by the Procedure for Requesting Purchase and Ordering of Materials.

Show V 1

Receiving materials is a normal routine activity for a Water Enterprise but there are a number of aspects which deserve our attention.

We have to make sure that the materials delivered to us are in good condition and in accordance with the specifications of the Purchase Order.

Show V 2

Any irregularity between the delivery and the Purchase Order must be settled before payments are made to the supplier.

Delivered materials have to be accounted for and at regular intervals checked for presence.

But our activities do not stop there. There has to be a proper storage of materials which means:

Show V 3

- Materials have to be stored in safe place:
  - . protected from losses due to weather, fire, theft, and other hazards;
  - . protected from unauthorized use by employees;
  - . where materials can only be removed with proper authorization;
  - . where only persons responsible for material and supply inventories have access.
- Materials should be stored in such a way that materials can be easily issued, moved, and inventoried.

- Items should be identified by descriptive tag and stocks numbers to ease the tasks of issueing and inventorying.	
Receiving materials is organized in the Procedure for Receiving Materials and Supplies.	
The Procedure for Receiving Materials and Supplies is the second of the 4 (four) procedures for the ordering and issue of materials.	
These procedures are:	
- Procedure for Requesting Purchase and Ordering of Mateirals and Supplies. - Procedure for Receiving Materials and Supplies. - Procedure for Paying of Material and Supplies. - Procedure for Issueing of Materials and Supplies.	Show V 1
2. **Objectives of the procedure**	
The Procedure for Receiving Materials and Supplies is a working arrangement which organizes <u>activities</u> and <u>people</u> to: - make sure that delivered materials are in accordance with the specifications of the Purchase Order; - make sure that payments are only made for correct deliveries; - materials and supplies are properly accounted for.	Show V 4
3. S t e p s	
Ask participants to identify the activities of the Procedure and who is involved.	Write answer on whiteboard
Order answers and evaluate together.	
Recapitulate the Procedure which is as follows:	Show V 5

The procedure consists out of 6 (six) steps and involves and the Head of the Finance and Administration Department and persons/sections involved are:

These steps comprise:

a. Receipt and inspection of materials.

Activities:
- Receipt of materials;
- Inspection and counting of delivered materials;
- Preparation receiving report for comparison between Purchase Order and suppliers invoice;
- Acknowledgement by the Head of the Finance and Administration Department;
- Sent report to Bookkeeping and Purchasing.

Involved persons/sections:
- Warehousing;
- Head of Finance and Administration Department.

b. Recording on stock cards.

Activities:
- Recording of received materials and supplies on Stock Cards.

Involved persons/sections:
- Warehousing.

c. Approval of suppliers invoice.

Activities:
- Acknowledgement of suppliers invoice by the Head of the Finance and Administration Department.
- Verify that materials have been ordered and are in accordance with the Purchase Order Report on receipt of goods from Warehousing).
- Prepare Payment Order.

- Approval by the Head of the Finance and Administration Department.
- Sent Payment Order to Cashier for payment (start of the Procedure for Paying for Materials and Supplies).

Involved persons/sections:
- Bookkeeping.
- Head of the Finance and Administration Department

d. Bookkeeping

Activities:
- Recording.
- Verification.

Involved persons/sections:
- Bookkeeping.

e. Update outstanding orders.

Activities:
- Update records for outstanding orders for approved deliveries.
- Based on approved invoices.

Involved persons/sections:
- Purchasing.

f. Stock control.

Activities:
- Compare records from warehousing and bookkeeping and adjust.
- Compare warehousing records with physical inventories.
- The physical count can be made on a piecemeal basis by inventorying only certain items at one time.
- Any significant difference between records and the physical count should be investigated to see whether this due to shrinkage, breakage, counting errors, recording errors, or theft.

Involved persons/sections:
- Bookkeeping Sections.

4. **Discussion**

Discuss the procedure with the participants by asking them among others:

- Should the person who inspects the delivered materials have a Purchase Order which also contains prices?
- Is it absolutely necessary that both Warehousing and Bookkeeping keep detailed records of our inventories?
- Why should Bookkeeping do the physical count of inventories and not Warehousing who knows much more about materials?
- Why is the Suppliers Invoice approved by the Head of the Finance and Administration Department and not by the Director PDAM/ Head BPAM?

5. **Summary**

Ordering and receiving materials is a normal routine activity of a Water Enterprise. We have to make sure that the materials delivered to us are in good condition and in accordance with the specifications of the Purchase Order.

Any irregularity between the delivery and the Purchase Order must be settled before payments are made to the supplier.

Receiving materials is organized in the Procedure for Receiving Materials and Supplies. This procedure is the second of 4 (four) procedures which control the whole process of ordering and issueing materials and supplies.

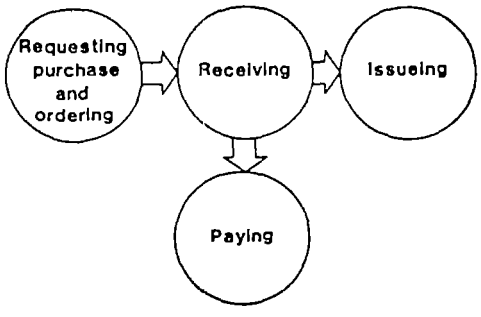
Show V 1

The Procedure for Receiving Materials and Supplies is a working arrangement which organizes activities and people to: - make sure that delivered materials are in accordance with the specifications of the Purchase Order; - make sure that payments are only made for correct deliveries; - materials and supplies are properly accounted for.	Show V 4
The procedure consists out of 6 (six) steps and involves 3 (three) subsections the Head of the Finance & Administration Department and 3 (three) subsections. The procedure comprises: - receipt and inspection of materials; - recording on Stock Cards; - approval of Suppliers Invoice; - bookkeeping; - updating outstanding orders; - stock control.	Show V 5 Give H 1

Module : INTRODUCTION TO THE PROCEDURE FOR RECEIVING MATERIALS AND SUPPLIES	Code : OPF 014
	Edition : 11-03-1985
Section 3 : T R A I N I N G A I D S	Page : 01 of 01

4 Procedures for Supply of Materials and Supplies — OPF 014/V 1

4 procedures for the supply of materials and supplies



Aspects of receiving materials and supplies — OPF 014/V 2

Aspects of Receiving Materials and Supplies

- Materials in good condition
- In accordance with the Purchase Order

Aspects of storing materials and supplies — OPF 014/V 3

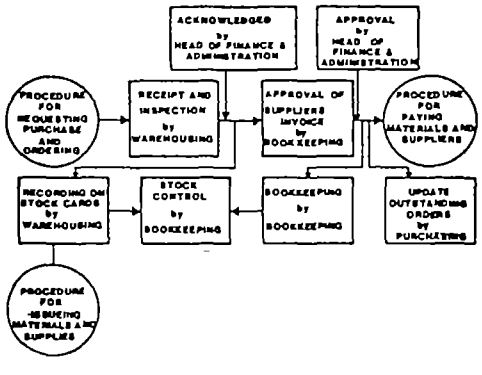
Aspects of storing materials and supplies

- Safe
  - No losses due to wheather fire or theft
  - No unauthorized use
  - No removal without proper authorization
  - Only authorized employees have access
- Easy to issue, move , and inventory
- Items identified by tags and stock numbers

Objectives of the Procedure for Receiving Materials and Supplies — OPF 014/V 4

- Delivered materials in accordance with specifications of purchase order
- Payments are only made for correct deliveries
- Proper accounting for materials and supplies

Flowchart of the Procedure for Receiving Materials and Supplies — OPF 014/V 5



Introduction to the Procedure for Receiving Materials and Supplies — OPF 014/H 1

1. INTRODUCTION

The smooth supply of materials and supplies is of vital importance for the reliability of our operations. The decision to order materials and supplies is a complex decision and is organized by the Procedure for Requesting Purchase and Ordering of Materials.

Receiving materials is a normal routine activity for a Water Enterprise but there are a number of aspects which deserve our attention:
- we have to make sure that the materials delivered to us are in good condition and in accordance with the specifications of the Purchase Order;
- any irregularity between the delivery and the Purchase Order must be settled before payments are made to the supplier;
- delivered materials have to be accounted for and at regular intervals checked for presence.

But our activities do not stop there. There has to be a proper storage of materials which means:

- Materials have to be stored in a safe place:
  . protected from losses due to weather, fire, theft, and other hazards;
  . protected from unauthorized use by employees;
  . where materials can only be removed with proper authorization;
  . where only persons responsible for material and supply inventories have access.

- Materials should be stored in such a way that materials can be easily issued, moved, and inventoried.

- Items should be readily identified by descriptive tags and stocks numbers to facilitate the tasks of issueing and inventorying.

Receiving materials is organized in the Procedure for Receiving Materials and Supplies.

This procedure is the second of the 4 procedures for the ordering and issue of materials.

These procedures are:

- Procedure for Requesting Purchase and Ordering of Materials and Supplies.
- Procedure for Receiving Materials and Supplies;
- Procedure for Paying of Materials and Supplies;
- Procedure for Issueing of Materials and Supplies.

2. OBJECTIVES OF THE PROCEDURE

The Procedure for Receiving Materials and Supplies is a working arrangement which organizes activities and people to:

- make sure that delivered materials are in accordance with the specifications of the Purchase Order;
- make sure that payments are only made for correct deliveries;
- materials and supplies are properly accounted for.

3. STEPS

The procedure consists out of 6 steps and involves 3 subsections and the Head of the Finance & Administration Department.

These steps comprise: (see fig. 1)

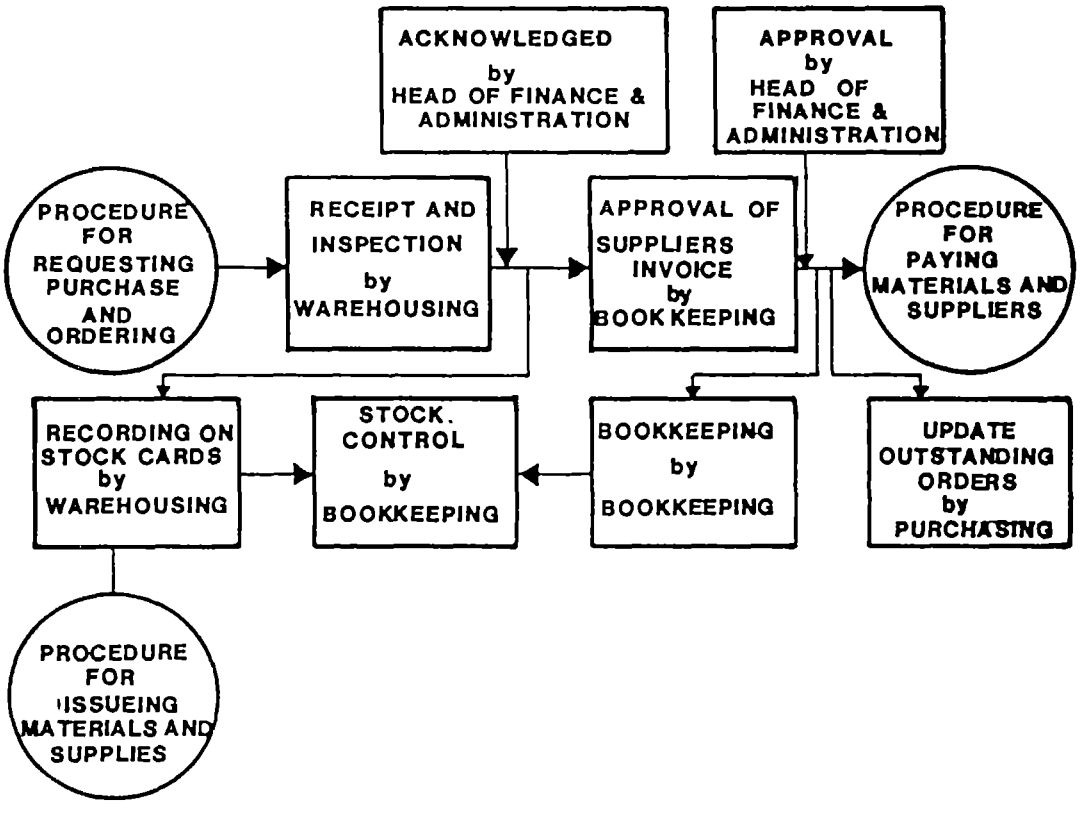


Fig. 1. Flowchart.

a. **Receipt and ispection of materials**

Activities:
- receipt of materials;
- inspection and counting of delivered materials;
- preparation of Report on the receipt of Goods for comparison between Purchase Order and Suppliers Invoice;
- acknowledgement by the Head of the Finance and Administration Department;
- sent report to Bookkeeping and Purchasing.

Involved persons/sections:
- Warehousing;
- Head of Finance & Administration Department.

b. **Recording on Stock Cards**

Activities:
- recording of received materials and supplies on Stock Cards.

Involved persons/sections:
- Warehousing.

c. **Approval of suppliers invoice**

Activities:
- acknowledgement of suppliers invoice by the Head of the Finance and Administration Department;
- verification that materials have been ordered and are in accordance with the Purchase Order Report on the Receipt of Goods from Warehousing);
- preparation Payment Order;
- approval by the Head of the Finance & Administration Department;
- sending Payment Order with supporting documents to Cashier for payment (start of the Procedure for Paying for Materials and Supplies).

Involved persons/sections:
- Bookkeeping;
- Head of the Finance & Administration Department.

d. **Bookkeeping**

Activities:
- recording;
- verification.

Involved persons/sections:
- Bookkeeping.

e. **Update outstanding orders**

Activities:
- update records for outstanding orders for approved deliveries;
- based on approved invoices.

Involved persons/sections:
- Purchasing.

f. **Stock control**

Activities:
- compare records from Warehousing and Bookkeeping and adjust;
- compare warehousing records with physical inventories;
- the phyisical count can be made in a piecemeal way by inventorying only certain items at one time;
- any significant difference between records and the physical count should be investigated to see whether they are due to shrinkage, breakage, counting errors, recording errors, or theft.

Involved persons/sections:
- Bookkeeping.

4. SUMMARY

Ordering and receiving materials is a normal routine activity of a Water Enterprise. We have to make sure that the materials delivered to us are in good condition and in accordance with the specifications of the Purchase Order. Any irregularity between the delivery and the Purchase Order must be settled before payments are made to the supplier.

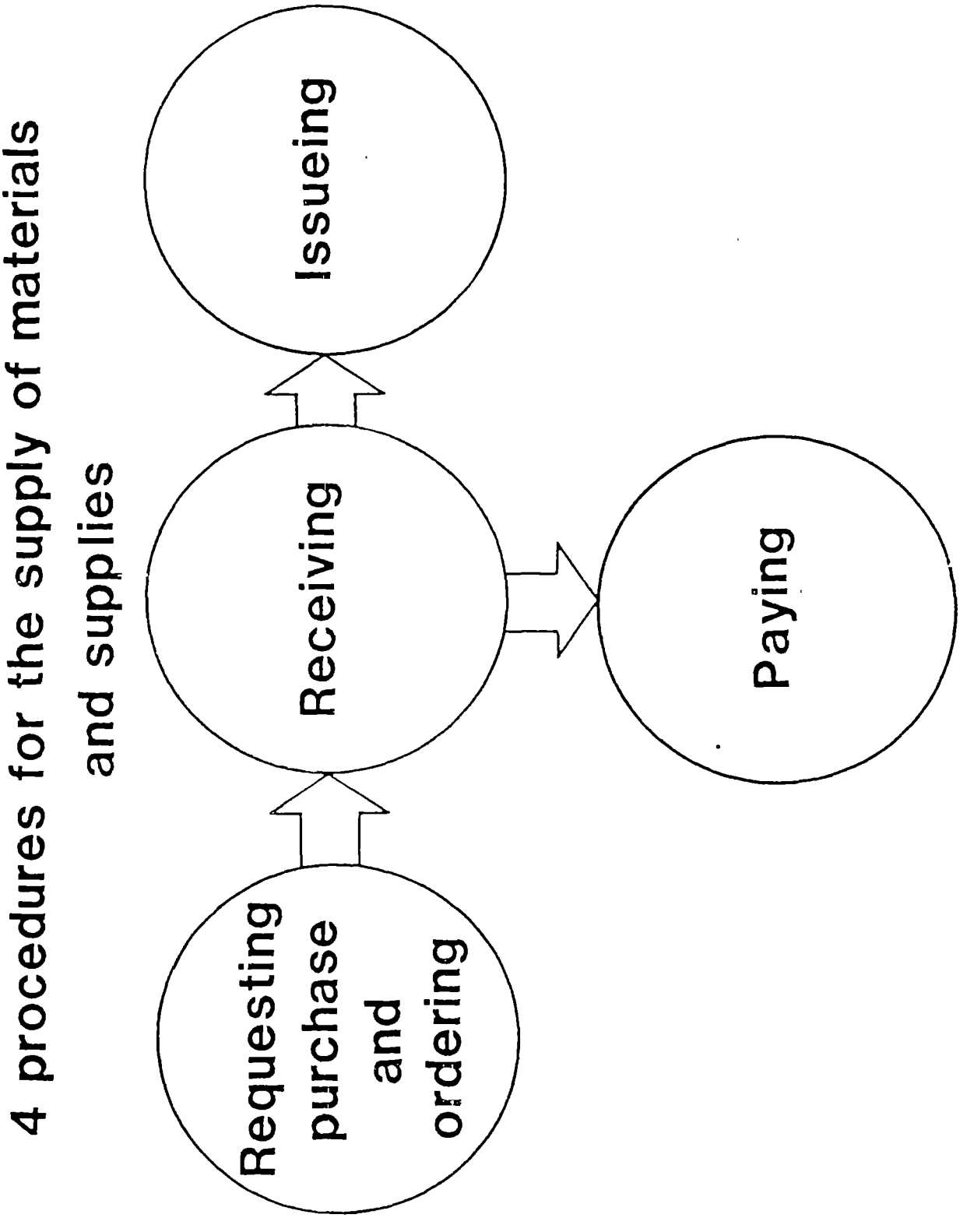
Receiving materials is organized in the Procedure for Receiving Materials and Supplies. This procedure is the second of the 4 procedures which control the whole process of ordering and issueing materials and supplies.

The Procedure for Receiving Materials and Supplies is a working arrangement which organizes activities and people to:
- make sure that delivered materials are in accordance with the specifications of the Purchase Order;
- make sure that payments are only made for correct deliveries;
- materials and supplies are properly accounted for.

The procedure consists out of 6 steps and involves the Head of the Finance & Administration Department and 3 subsections.
The procedure comprises:
- receipt and inspection of materials;
- recording on Stock Cards;
- approval of Suppliers Invoice;
- bookkeeping;
- updating outstanding orders;
- stock control.

* * *

TITLE :	CODE :
1. Introduction to the procedure for receiving materials and supplies	OPF 014/V 1
2. Aspects of receiving materials and supplies	OPF 014/V 2
3. Aspects of storing materials and supplies	OPF 014/V 3
4. Objectives of the procedure for receiving materials and supplies	OPF 014/V 4
5. Flowchart of the procedure for receiving materials and supplies	OPF 014/V 5


4 procedures for the supply of materials and supplies
Requesting purchase and ordering
Receiving
Issueing
Paying

Aspects of Receiving Materials and Supplies

- Materials in good condition
- In accordance with the Purchase Order

Aspects of storing materials and supplies

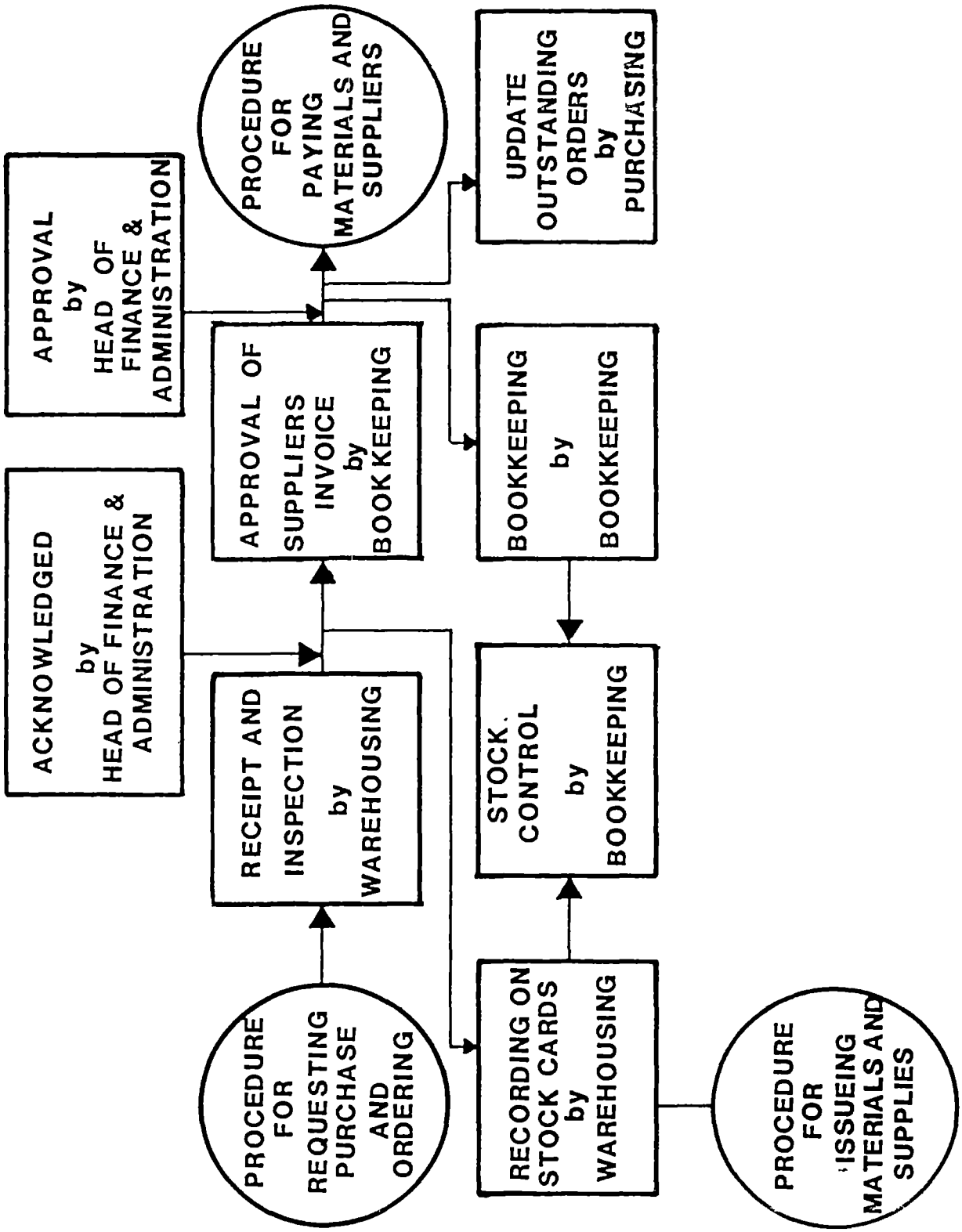
- Safe
  - No losses due to wheather fire or theft
  - No unauthorized use
  - No removal without proper authorization
  - Only authorized employees have access
- Easy to issue, move , and inventory
- Items identified by tags and stock numbers

- Delivered materials in accordance with specifications of purchase order

- Payments are only made for correct deliveries

- Proper accounting for materials and supplies

Flowchart of the procedure for receiving materials and supplies OPF 014/V 5



Module : INTRODUCTION TO THE PROCEDURE FOR PAYING MATERIALS AND SUPPLIES	Code : OPF 015
	Edition : 27-02-1985
Section 1 : INFORMATION SHEET	Page : 01 of 01/09

Duration :	45 minutes.
Training objectives :	After this session, the trainee will be able to: - recite the objectives of the Procedure for Paying Materials and Supplies; - explain in the correct order the step-by-step sequence of this procedure.
Trainee selection :	- Director PDAM/Head BPAM; - Head of the Technical Department; - All Section Heads.
Training aids :	- Viewfoils: OPF 015/V 1-3; - Handout : OPF 015/H 1.
Special features :	Implementation of the steps of this procedure is explained in seperate modules.
Keywords :	Procedure/materials/payments.

1. Introduction

A smooth supply of materials and supplies is vital for the reliability of our operation.

We usually distinguish 4 main activities associated with the supply of materials and supplies.
These main activities are:
- requesting purchase and ordering;
- receiving;
- paying;
- issueing.

These main activities are organized in the 4 accounting procedures with the corresponding name.

Show V 1

Here, we will deal with the third procedure wich deals with paying for received materials and supplies.

The Procedure for Receiving Materials and Supplies specifies how to verify whether deliveries are in accordance with our Purchase Order.

It is in the interest of the Water Enterprise to have a good solid reputation among suppliers and that means among others that payments should be made on time and correctly.

Correct payment mean that
- we pay the correct amount;
- to the correct creditor;
- on the date that payments are due, not too late but also not too early.

Payments should only be made after all irregularities between Purchase Order and delivery have been solved.

2. Objectives of the procedure	
The Procedure for Paying Materials and Supplies is a Working Arrangement which organizes <u>people</u> and <u>activities</u> to make sure that payments are made: - for valid claims; - for the correct amount; - to the correct address; - on the time they are due.	Show V 2
3. S t e p s	
Ask the participants to identify the activities of the procedure and who is involved.	Write answers on whiteboard
Order answers and evaluate together.	
Recapitulate the procedure which is as follows:	Show V 3
The procedure consists of 3 steps and involves the Director PDAM/Head BPAM the Head of the Finance & Administration Department, and 2 sections.	
These steps comprise:	
a. <u>Verify correctness claim supplier</u>	
Activities: - receipt submitted for payment to cashier by supplier; - verification correctness receipts with available documents (obtained from the Procedure for Receiving Materials and Supplies which comprises documents such as Purchase Order, Suppliers Invoice, Payment Order, Receiving Report); - acknowledgement by the Head of the Finance & Administration Department.	
Involved persons/sections: - Cashier; - Head of the Finance & Administration Department.	

b. Payment

Activities:
- check prepare for payment to supplier;
- signed by the Director PDAM/Head BPAM;
- check given to Supplier who signs the Payment Order and Receipt as proof.

Involved persons/sections:
- Cashier;
- Director PDAM/Head BPAM.

c. Bookkeeping

Activities:
- record transactions are recorded;
- verifivication.

Involved persons:
- Bookkeeping.

4. **Discussion**

Discuss the procedure with the participants by asking them among others:

- What should the cashier do when not all supporting documents are available to verify the correctness of the Suppliers' claim?

- Is it good policy to pay Suppliers before their claims are due?

5. **Summary**

The supply of materials and supplies is organized in 4 accounting procedures covering the 4 main activities.

Show V 1

The Procedure for Paying Materials and Supplies is the third procedure in this series and follows the Procedure for Receiving Materials and Supplies.

The Procedure for Paying Materials and Supplies is a Working Arrangement which organizes people and activities to make sure that payments are made:

Show V 2

- for valid claims;
- for the correct;
- to the correct address;
- on the time they are due.

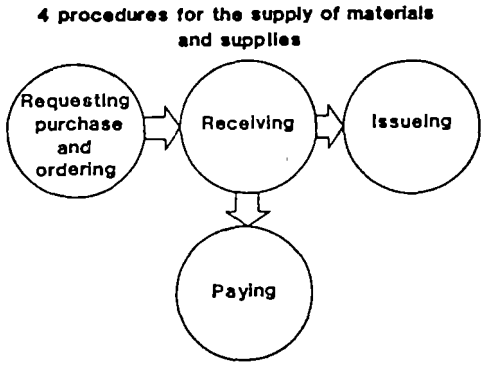
The procedure consists of 3 steps and invol-
Show V 3 ves the Director PDAM/Head BPAM the Head of the Finance & Administrative Department, and 2 sections comprising:

- verification correctness of Suppliers claim;
- payment;
- bookkeeping.

Give H 1

Module : INTRODUCTION TO THE PROCEDURE FOR PAYING MATERIALS AND SUPPLIES	Code : OPF 015
	Edition : 27-02-1985
Section 3 : T R A I N I N G A I D S	Page : 01 of 01

4 Procedures for the Supply of Materials and Supplies — OPF 015/V 1

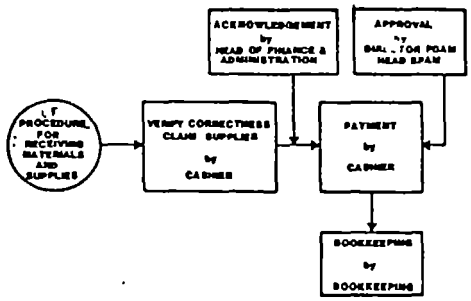


Objectives of the Procedure for Paying Materials and Supplies — OPF 015/V 2

PAYMENTS ARE MADE :

- FOR VALID CLAIMS
- FOR THE CORRECT AMOUNT
- TO THE CORRECT ADDRESS
- ON THE TIME THEY ARE DUE

Flowchart of the Procedure for Paying Materials and Supplies — OPF 015/V 3



Introduction to the Procedure for Paying Materials and Supplies — OPF 015/H 1

1. INTRODUCTION

A smooth supply of materials and supplies is vital for the reliability of our operations. We usually distinguish 4 main activities associated with the supply of materials and supplies.
These main activities are:
- requesting purchase and ordering;
- receiving;
- paying;
- issueing.

These main activities are organized in the 4 accounting procedures with the corresponding name. Here, we will deal with the third procedure which deals with paying for received materials and supplies.

In the previous procedure, which deals with the receipt of materials and supplies, it is specified how to verify whether the delivery is in accordance with our Purchase Order. The next step is that the supplier will have to be paid. It is in the interest of the Water Enterprise to have a solid reputation among suppliers which implies among others, that payments should be made on time and correctly. Correct payments mean that we pay the correct amount to the correct creditor on the date that payments are due, not too late but also not too early. Payments should only be made after all irregularities between Purchase Order and the delivered goods have been solved.

2. OBJECTIVES OF THE PROCEDURE

The Procedure for Paying Materials and Supplies is a Working Arrangement which organizes <u>people</u> and <u>activities</u> to make sure that payments are made:
- for valid claims;
- for the correct amount;
- to the correct address;
- on the time they are due.

3. STEPS

The procedure consists of 3 steps and involves the Director of PDAM/ Head BPAM, the Finance & Administration Department, and 2 sections.

These steps comprise: (see fig. 1)

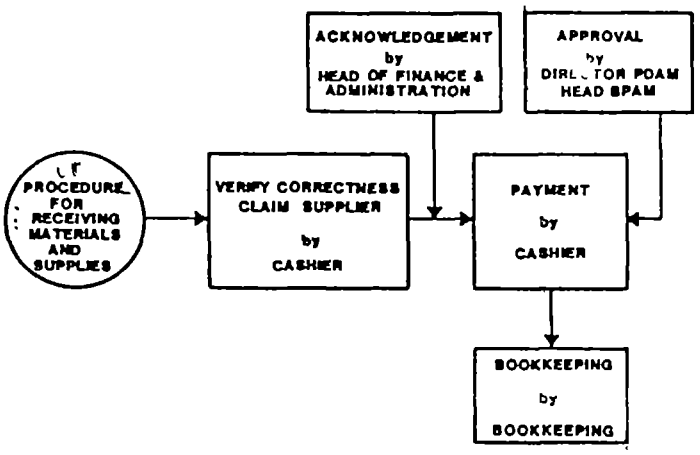


Fig. 1. Flow chart.

a. **Verify correctness claim Supplier**

Activities:
- The supplier will submit a receipt for payment to the cashier;
- The receipt is verified with available documents (obtained from the Procedure for Receiving Materials and Supplies which comprises documents such as Purchase Order, Suppliers Invoice, Payment Order, Receiving Report);
- acknowledgement by the Head of the Finance & Administration Department.

Involved persons/sections:
- Cashier;
- Head of the Finance & Administration Department.

b. **Payment**

Activities:
- Prepare a check for payment to supplier.
- The check has to be signed by the Director PDAM/Head BPAM.
- Give the check to the supplier and have him sign the Payment Order and Receipt as proof.

Involved persons/sections:
- Cashier;
- Director PDAM/Head BPAM.

c. **Bookkeeping**

Activities:
- Record transactions;
- Verification.

Involved persons/sections:
- Bookkeeping.

4. SUMMARY

The supply of materials and supplies is organized in 4 accounting procedures covering the 4 main activities. The Procedure for Paying Materials and Supplies is the third procedure in this series and follows the Procedure for Receiving Materials and Supplies.

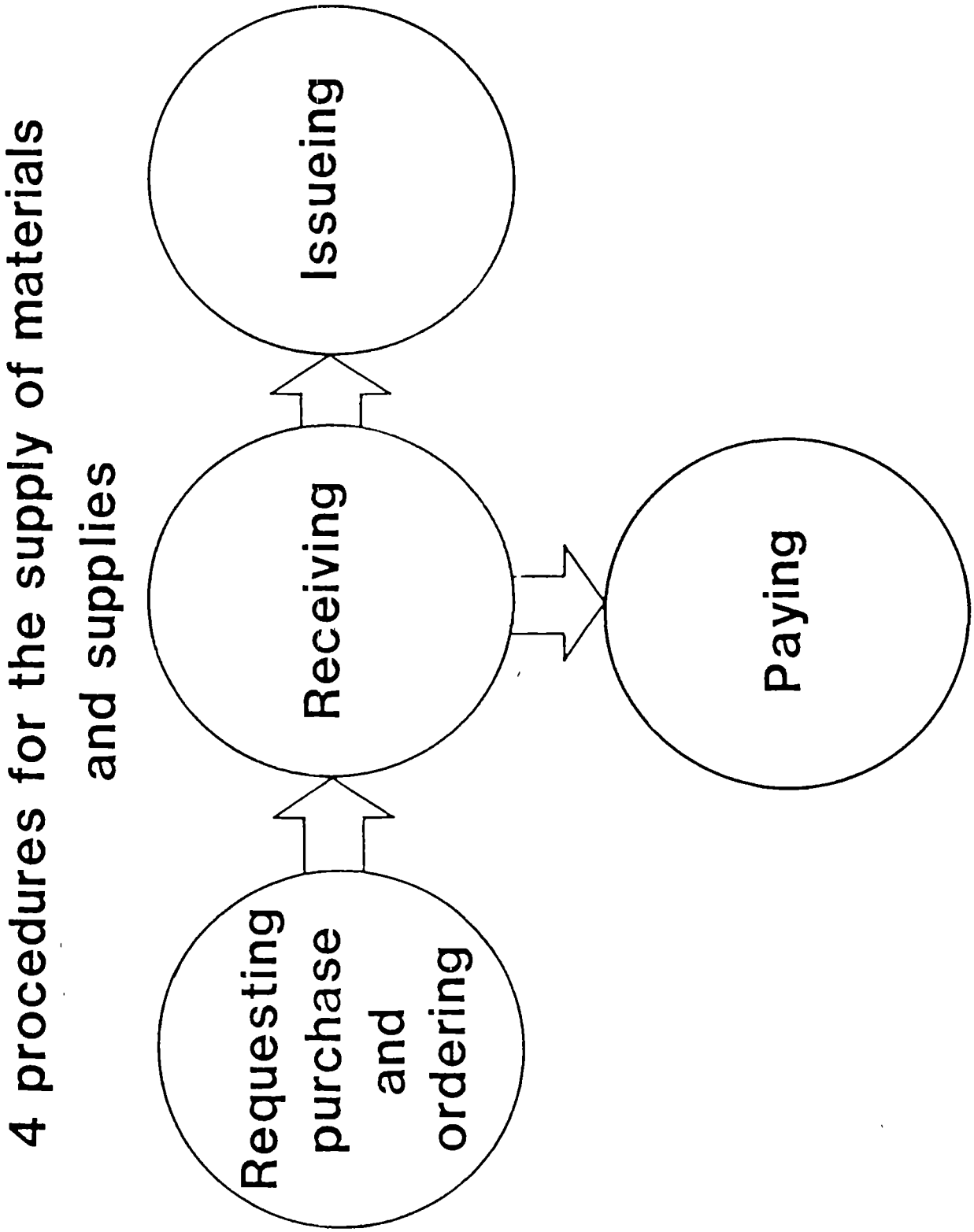
The Procedure for Paying Materials and Supplies is a Working Arrangement which organizes people and activities to make sure that payments are made:
- for valid claims;
- for the correct amount;
- to the correct address;
- on the time they are due.

The Procedure consists of 3 steps and involves the Director PDAM/Head BPAM the Head of Finance & Administration Department and 2 sections.

The procedure comprises:
- Verification correctness of claim by supplier.
- Payment.
- Bookkeeping.

* * *

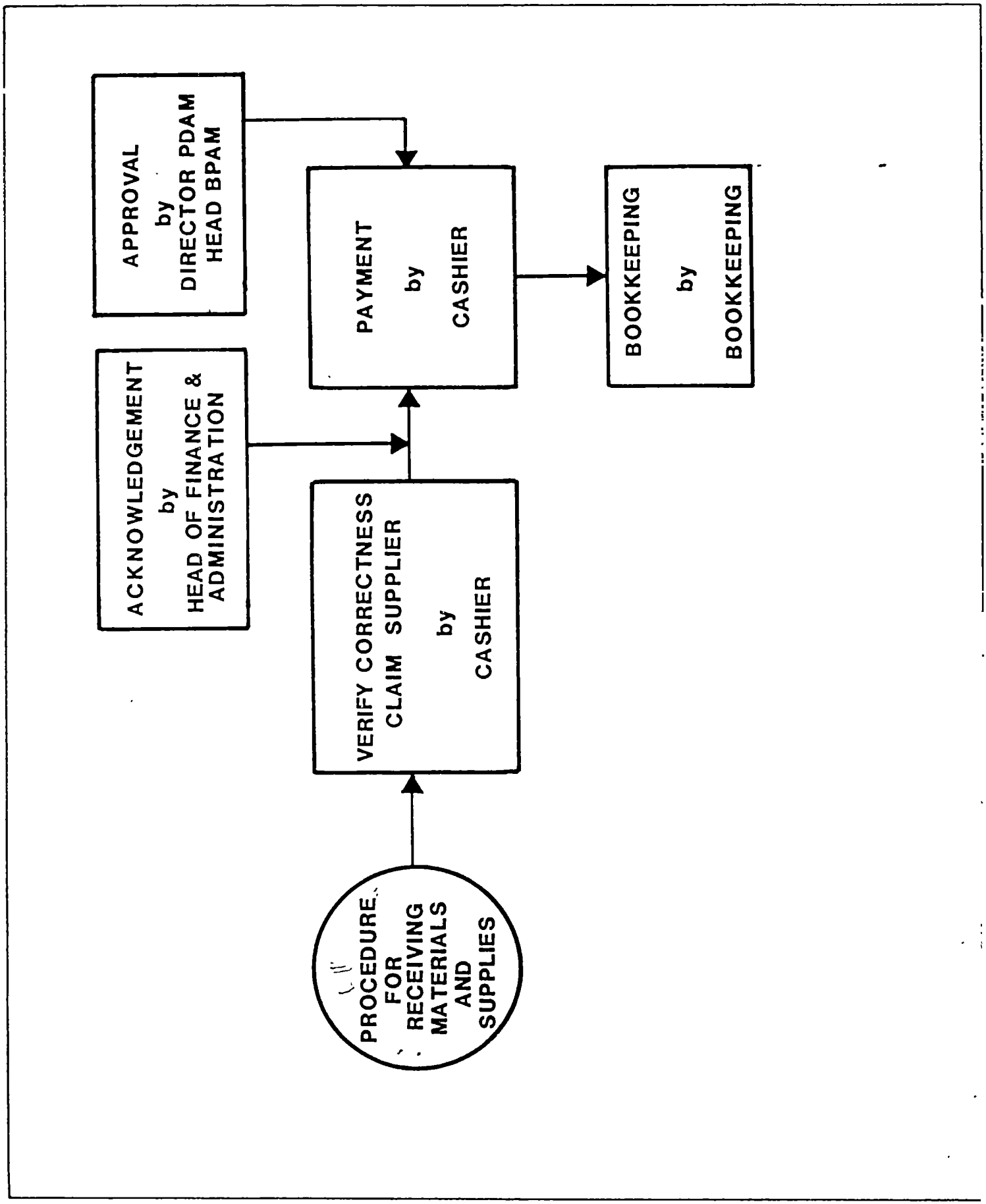
TITLE :	CODE :
1. 4 procedures for the supply of materials and supplies	OPF 015/V 1
2. Objectives of the procedure for paying materials and supplies	OPF 015/V 2
3. Flowchart of the procedure for paying materials and supplies	OPF 015/V 3


4 procedures for the supply of materials and supplies
Requesting purchase and ordering
Receiving
Issueing
Paying

PAYMENTS ARE MADE :

- FOR VALID CLAIMS
- FOR THE CORRECT AMOUNT
- TO THE CORRECT ADDRESS
- ON THE TIME THEY ARE DUE

Flowchart of the procedure for paying materials and supplies OPF 015/V 3



Module : INTRODUCTION TO THE PROCEDURE FOR ISSUEING MATERIALS AND SUPPLIES	Code : OPF 016
	Edition : 19-04-1985
Section 1 : INFORMATION SHEET	Page : 01 of 01/11

Duration :	45 minutes.
Training objectives :	After this session, the trainee will be able to: - recite the objectives of the Procedure for Issueing Materials and Supplies; - explain in the correct order the step-by-step sequence of this procedure.
Trainee selection :	- Director PDAM/Head BPAM; - All Department Heads; - All Section Heads.
Training aids :	- Viewfoils : OPF 016/V 1-4; - Handout : OPF 016/H 1.
Special features :	Implementation of the steps of this procedure is explained in separate modules.
Keywords :	Procedure/materials/issue/requisition.

1. Introduction

The issue of materials and supplies is the last main activity in the total process of supplying and issueing of materials and supplies.

This process is organised in 4 (four) Accounting Procedures:

Show V 1

- Requesting Purchase and Ordering of Materials and Supplies;
- Receiving Materials and Supplies;
- Paying Materials and Supplies;
- Issueing Materials and Supplies.

It is here where we will find out how effective the storekeeping of our Water Enterprise is.

The issue of materials and supplies has 2 (two) effects:

Show V 2

- <u>Materials and supplies in stock are reduced</u>.

  Reductions in stock have to be accounted for and replenishments should be ordered whenever required (refer to the Procedure for Requesting Purchase and Ordering of Materials and Supplies).

- <u>Materials and supplies will be consumed</u>.

  Consumption of materials and supplies means that costs are made which should be charged to specific jobs or expense accounts.

Materials and supplies should be issued from the storeroom only upon receipt of a properly approved material requisition.

The requisition serves 2 (two) basic purposes:

- The charging of the cost of the material to the appropriate expense account.

- Recording of the transaction as it affects the detailed stock records. The requisition should include information concerning: - quantity and description of each item ordered; - delivery instructions; - the job or account to which the material is to be charged; - proper approval or authorization. On the requisition the storekeeper should record the quantity of each item furnished and enter the proper code numbers for the items. Of importance equal to the material requisition is the material credit, or return, that accompanies the return of material and supplies from a job or account to the storeroom. The same information should be shown on the material return as on the material requisition, and the processing should follow the same procedure.	
2 **Objectives of the procedure** The Procedure for Issueing Materials and Supplies is a Working Arrangement which organizes people and activities to: - issue materials and supplies in an efficient and effective manner; - account for materials and supplies, whether in stock or consumed.	Show V 3
3. S t e p s Ask the participants to identify the activities of this procedure and who is involved. Order answers and evaluate together. Recapitulate the procedure which is as follows:	Write answers on whiteboard Show V 4

The Procedure for Issueing Materials and Supplies consists of 3 (three) steps and involves any section which requires materials and supplies.

These steps comprise:

a. Requisition

Activities:

- Filling in of requisition forms;
- Approval by responsible Supervisory Management;

Involved:

- Any section which requires materials and supplies;
- Supervisory Management.

b. Issue

Activities:

- Issue materials and supplies in accordance with requisition;
- Record issued materials and supplies at requisition form;
- Record issued materials and supplies at stock cards.

Involved persons/sections:

- Warehousing.

c. Bookkeeping

Activities:

- Record transactions;
- Verify;

Involved persons/sections:

- Bookkeeping.

4. **Discussion**

Discuss the procedure with the participants by asking them among others:

- Do we need approval for items which have already been entered in the annual budget?
- Why do we have to charge issued materials and supplies to specific expense accounts and name some of these accounts?
- What is the relation between this procedure and the Procedure for New Connections?
- What to do when we get requisitions for items out of stock?

5. **Summary**

The Procedure for Issueing Materials and Supplies is the last of the 4 (four) procedures which organize the whole process of supplying materials and supplies.

Show V 1

The issue of materials and supplies has 2 (two) effects:

Show V 2

- Materials and supplies in stock are reduced.
- Materials and supplies will be consumed.

The Procedure for Issueing Materials and Supplies is a Working Arrangement which organizes people and activities to:

Show V 3

- Issue materials and supplies in an efficient and effective manner;
- Account for materials and supplies, whether in stock or consumed.

The procedure consists of 3 (three) steps and involves any section which requires materials and supplies.

Show V 4

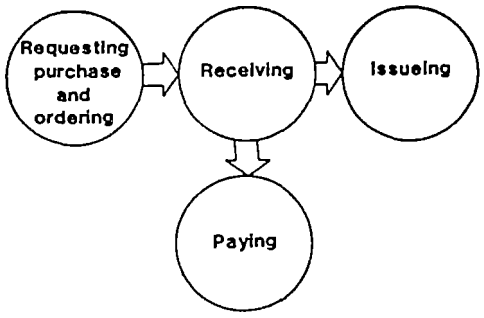
These steps comprise:

- Requisition;
- Issue;
- Bookkeeping.

Distribute H 1

Module : INTRODUCTION TO THE PROCEDURE FOR ISSUEING MATERIALS AND SUPPLIES	Code : OPF 016
	Edition : 07-03-1985
Section 3 : T R A I N I N G A I D S	Page : 01 of 01

4 Procedures for the Supply of Materials and Supplies — OPF 016/V 1



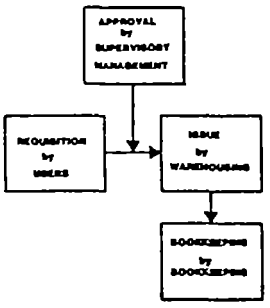
2 consequences of Issueing Materials and Supplies — OPF 016/V 2

- STOCK IS REDUCED
- MATERIALS AND SUPPLIES ARE CONSUMED

The Objectives of the the Procedure for Issueing Materials and Supplies — OPF 016/V 3

- Issue materials and supplies in an efficient and effective manner
- Account for materials and supplies
  - In stock
  - Consumed

Flowchart of the Procedure for Issueing Materials and Supplies — OPF 016/V 4



Introduction to the Procedure for Issueing Materials and Supplies — OPF 016/H 1

1. INTRODUCTION

The issue of materials and supplies is the last main activity in the total process of supplying and issueing of materials and supplies. It is here where we will find out how effective the storekeeping of our Water Enterprise is.

The issue of materials and supplies has 2 (two) effects:

- Materials and supplies in stock are reduced.
  Reductions in stock have to be accounted for and replenishments should be ordered whenever required (refer to the Procedure for Requesting Purchase and Ordering of Materials and Supplies);

- Materials and supplies will be consumed.
  Consumption of materials and supplies means that costs are made which should be charged to particular jobs or expense accounts.

Materials and supplies should be issued from the storeroom only upon receipt of a properly approved material requisition.

The requisition serves 2 (two) basic purposes:
- the charging of the cost of the material to the appropriate expense account;
- recording of the transaction as it affects the detailed stores records.

The requisition should include information concerning:
- quantity and description of each item ordered;
- delivery instructions;
- the job or account to which the material is to be charged;
- the proper approval or authorization for issuance of supplies and materials.

On the requisition the storekeeper should record the quantity of each item furnished and enter the proper code numbers for the items.

Of importance equal to the material requisition is the material credit, or return, that accompanies the return of material and supplies from a job or account to the storeroom.

The same information should be shown on the material return as on the material requisition, and the processing should follow the same procedure.

2. OBJECTIVES OF THE PROCEDURE

The Procedure for Issueing Materials and Supplies is a Working Arrangement which organizes people and activities to:
- issue materials and supplies in an efficient and effective manner;
- account for materials and supplies, whether in stock or consumed.

3. S T E P S

The Procedure for Issueing Materials and Supplies consists of 3 (three) steps and involves any section which requires materials and supplies.

The steps comprise (refer to fig. 1.):

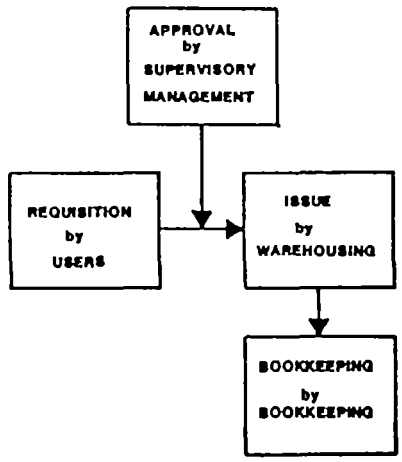


Fig. 1. Flowchart.

a. <u>Requisition</u>

Activities:

- Filling in or requisition forms;
- Approval of responsible Supervisory Management.

Involved persons/sections:

- Any section which requires materials and supplies;
- Supervisory Management.

b. Issue

Activities:

- Issue materials and supplies in accordance with requisition;
- Record issued materials and supplies at requisition form;
- Record issued materials and supplies at stock cards.

Involved persons/sections:

- Warehousing.

c. Bookkeeping

Activities:

- Record transactions;
- Verify.

Involved persons/sections:

- Bookkeeping.

4. SUMMARY

The Procedure for Issueing Materials and Supplies is the last of the 4 (four) procedures which organize the whole process of supplying materials and supplies.

The issue of materials and supplies has 2 (two) effects:

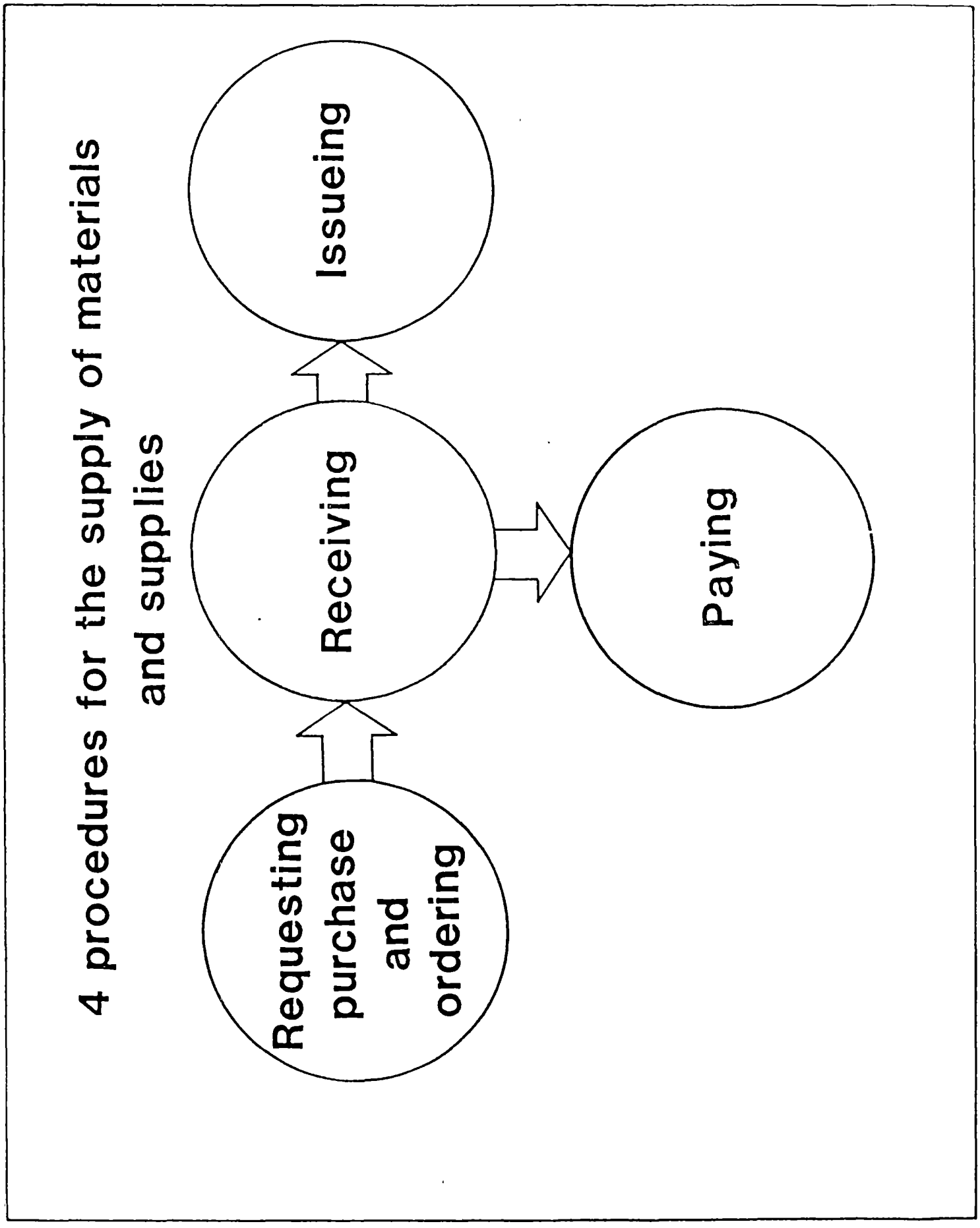
- Materials and supplies in stock are reduced.
- Materials and supplies will be consumed.

The Procedure for Issueing Materials and Supplies is a Working Arrangement which organizes people and activities to:
- issue materials and supplies in an efficient and effective manner;
- account for materials and supplies, whether in stock or consumed.

The procedure consists of 3 (three) steps and involves any section which requires materials and supplies. These steps comprise:
- Requisition;
- Issue;
- Bookkeeping.

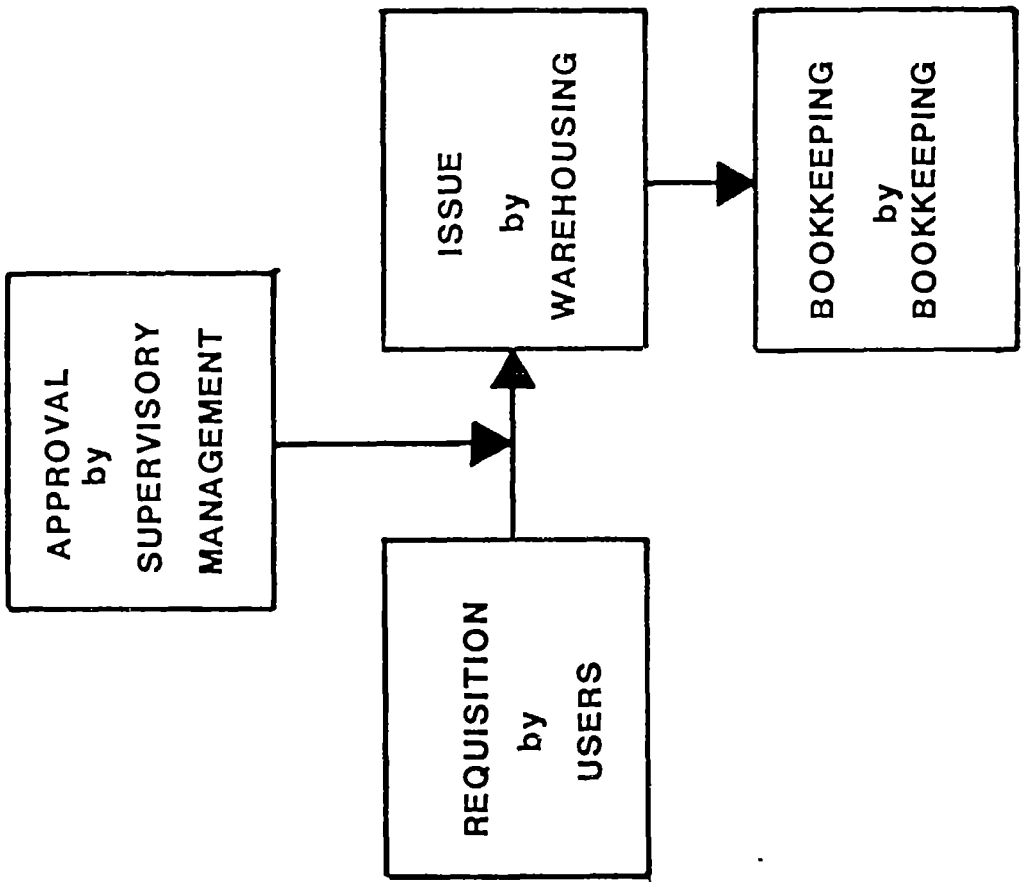
* * *

TITLE :	CODE :
1. Procedures for the supply of materials and supplies	OPF 016/V 1
2. 2 consequences of issueing materials and supplies	OPF 016/V 2
3. Objectives of the procedure for issueing materials and supplies	OPF 016/V 3
4. Flowchart of the procedure for issueing materials and supplies	OPF 016/V 4


4 procedures for the supply of materials and supplies
Requesting purchase and ordering
Receiving
Issueing
Paying

- STOCK IS REDUCED
- MATERIALS AND SUPPLIES ARE CONSUMED

- Issue materials and supplies in an efficient and effective manner
- Account for materials and supplies
  - In stock
  - Consumed


APPROVAL
by
SUPERVISORY
MANAGEMENT
REQUISITION
by
USERS
ISSUE
by
WAREHOUSING
BOOKKEEPING
by
BOOKKEEPING

Module	INTRODUCTION TO THE PROCEDURE FOR RECEIVING NEW CUSTOMERS	Code : OPF 017 Edition : 16-4-1985
Section 1	INFORMATION SHEET	Page : 01 of 01/11

Duration :	45 minutes.
Training objectives :	After this session, the trainee will be able to: - recite the objectives of the Procedure for Receiving New Customers; - explain in the correct order the step-by-step sequence of this procedure.
Trainee selection :	- Director PDAM/Head BPAM; - Head of the Technical Department; - All Section Heads.
Training aids :	- Viewfoils : OPF 017/V 1-3; - Handout : OPF 017/H 1.
Special features :	Implementation of the steps of this procedure is explained in seperate modules.
Keywords :	Procedure/new customers.

1. Introduction

Attracting new customers who want to use our services, is an important activity for our Water Enterprise.

New customers are not created overnight:
- we must actively look for potential clients;
- we must make it attractive to them to become a customer;
- we should serve them fast and correct after they have expressed their wish to become a customer.

Show V 1

Customers should pay the real costs of their service connection.

This will require a cost estimate will have to be presented to the candidate customer who has to agree with this.

The actual amount of the connection fee should not be a constraint for our candidate and prevent him from joining us.

It is necessary to create the possibility to pay the connection fee in installments.

The activities of adding new customers are organized in two accounting procedures, viz.
- the Procedure for Receiving New Customers;
- the Procedure for Installing Service Connections.

Both procedures involve the Technical and Financial & Administration Departments and will require good coordination.

2. Objective of the procedure

The Procedure for receiving New Customers is a Working Arrangement which organizes people and activities to:
- record and screen candidate customers in a correct and orderly manner;

Show V 2

- make sure that the financial relations between both parties are clear and on paper; - bill connection fees; - control the required activities for accepting new customers.	
3. **Steps**	
Ask the participants to identify the activities of this procedure and who is involved.	Write answers on whiteboard
Order answers and evaluate together.	
Recapitulate the procedure which is as follows:	
The procedure consists of 5 steps and involves 3 sections, the Head of the Technical Department and the Director PDAM/Head BPAM.	Show V 3
These steps comprise:	
a. Receive applications from candidate customers; Activities: - Inform candidate customers; - Application filled in by candidate and recorded; - Screen candidate customers on: . location; . whether they have been a customer of the WE in the past; . if so, whether they still have debts with the WE; . customer category. Involved persons/sections: - Customer Relations.	
b. Calculate connection fee; Activities: - Survey location; - Determine position of water meter; - Prepare situation drawings; - Calculate required materials;	

- Prepare budget;
- Approval of budget by the Head of the Technical Department.

Involved persons/sections:
- Planning and Supervision Section;
- Head of the Technical Department.

c. Approval of connection fee by candidate customer.

Activities:
- Approval of budget c.q. connection fee;
- Negotiate payment conditions/installments.

Involved persons/sections:
- Customer Relations Section.

d. Preparation of bills.

Activities:
- Prepare non-water bills based on approved budget;
- Bills are prepared for the whole amount if paid all at once, or for each installment;
- Approval by the Director PDAM/Head BPAM;
  . supervision;
  . legalization.

Involved persons/sections:
- Billing Sub-section;
- Director PDAM/Head BPAM.

e. Bookkeeping.

Activities:
- Record transactions;
- Verify.

Involved persons/sections:
- Bookkeeping Section.

4. **Discussion**

Discuss the Procedure with the participants by asking them a.o.:
- Should we make a profit on the connection fee?
- Can we refuse requests of candidate customers out of fear that they will not be able to pay their bills, considering that a Water Enterprise should serve the whole population?
- How can we maintain good coordination between the Technical and Financial Departments?

5. **Summary**

Adding new customers is a basic task for Water Enterprises.

The activities for adding new customers are organized in 2 accounting procedures, viz.
- The Procedure for Receiving New Customers;
- The Procedure for Installing Service Connections.

The Procedure for Receiving New Customers is a Working Arrangement which organizes people and activities to:
- record and screen candidate customers in a correct and orderly manner;
- make sure that the financial relations between both parties are clear and on paper;
- bill connection fees;
- control the required activities for accepting new customers.

Show V 2

The procedure consists of 5 steps and involves 3 sections, the Head of the Technical Department and the Director PDAM/Head BPAM.

Show V 3

These steps comprise:
- receiving applications from candidates customers;
- calculate connection fee;
- approval of connection fee by candidate customer;
- prepare bills;
- bookkeeping.

Distribute H 1

Module : INTRODUCTION TO THE PROCEDURE FOR RECEIVING NEW CUSTOMERS	Code : OPF 017
	Edition : 16-4-1985
Section 3 : T R A I N I N G A I D S	Page : 01 of 01

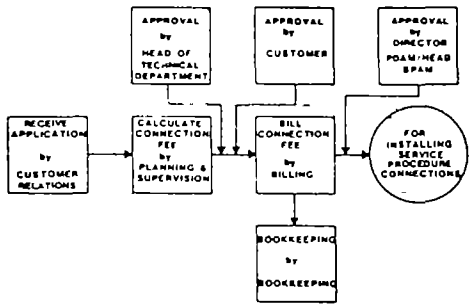
3 important aspects of attracting new customers — OPF 017/V 1

- LOOK ACTIVELY FOR POTENTIAL CUSTOMERS
- MAKE IT ATTRACTIVE TO BECOME CUSTOMER
- FAST AND CORRECT PROCESSING OF APPLICATIONS

Objectives of the procedure for receiving new customers — OPF 017/V 2

- RECORD AND SCREEN APPLICATIONS
- FORMALIZE FINANCIAL RELATION W.E AND CUSTOMER
- BILL CONNECTION FEES
- CONTROL ACTIVITIES

Flowchart of the procedure for receiving new customers — OPF 017/V 3



Introduction to the procedure for receiving new customers — OPF 017/H 1

1. INTRODUCTION

Attracting new customers who want to use our services, is an important activity for our Water Enterprise. New customers are not created overnight:
- we must actively look for potential clients
- we must make it attractive for them to become customer;
- we should serve them fast and correct after they have expressed their wish to become a customer.

It is policy that customers should pay the real costs of their service connection. This will require that prior to installing the new connection, a cost estimate will have to be presented to the candidate customer who has to agree with this. We should note, however, that we are in the business of supplying drinking water and not selling connections. Connection fees should not be a constraint for our candidate and prevent him from joining us. It is necessary to create the possibility to pay the connection fee in installments.

The activities of adding new customers are organized in two accounting procedures, viz.
- The Procedure for Receiving New Customers;
- The Procedure for Installing Service Connections.

The Procedure for Receiving New Customers covers the first part of this basic activities. Both procedures involve the Technical and Financial & Administration Departments and will require good coordination.

2. OBJECTIVE OF THE PROCEDURE

The Procedure for Receiving New Customers is a Working Arrangement which organizes people and activities to:
- record and screen candidate customers in a correct and orderly manner;
- make sure that the financial relations between both parties are clear and on paper;
- bill a connection fees;
- control the required activities for accepting new customers.

3. STEPS

The procedure consists of 5 steps and involves 3 sections, the Head of the Technical Department and the Director PDAM/Head BPAM.

These steps comprise (refer to fig. 1):

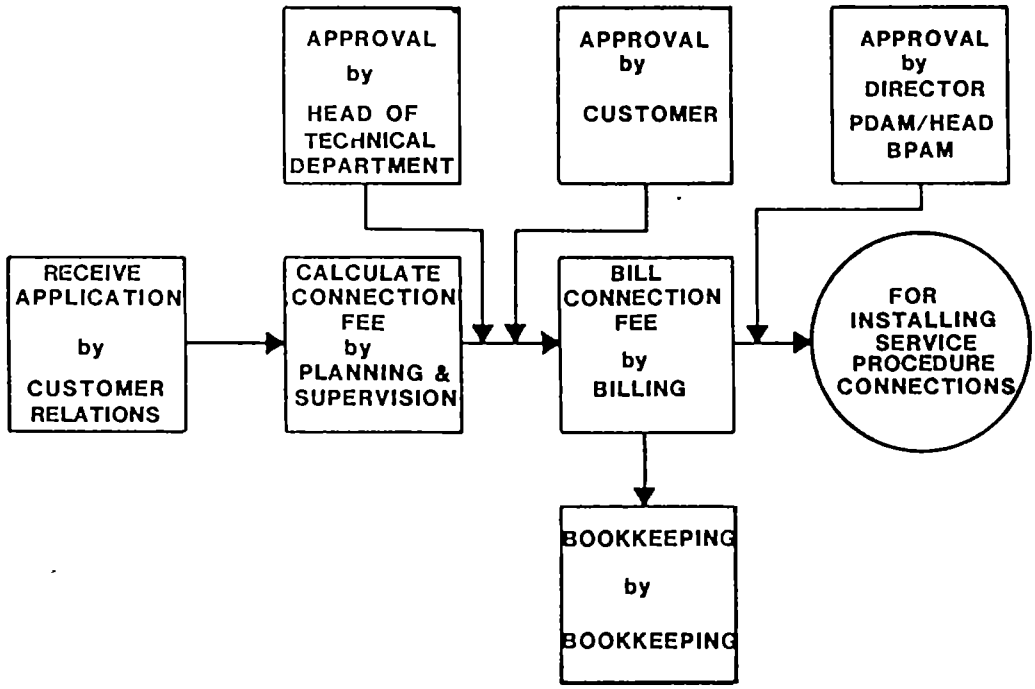


Fig. 1. Flowchart.

a. Receiving request of candidate customers

Activities:
- inform candidate customers;
- fill in request by candidate and record;
- screen candidate customers on:
  . location;
  . whether they have been a customer of the Water Enterprise in the past;
  . if so, whether they still have debts with us;
  . customer category.

Involved persons/sections:
- Customer Relations.

b. Calculate connection fee.

Activities:
- survey location;
- determine position water meter;

- prepare situation drawings;
- budget;
- approval of budget by the Head of the Technical Department.

Involved persons/sections:
- technical Planning Section;
- Head of the Technical Department.

c. Approval of connection fee by candidate customer.

Activities:
- approval of budget c.q. connection fee;
- negotiate payment conditions/installments.

Involved persons/sections:
- Customer Relations Section.

d. Prepare bills.

Activities:
- prepare non-water bills based on approved budget;
- bills are prepared for the whole amount, if paid in once, or for each installment;
- approval by the Director PDAM/Head BPAM.

e. Bookkeeping

Activities:
- record transactions;
- verify.

Involved persons/sections:
- Bookkeeping Section.

4. SUMMARY

Adding new customers is a basic task for Water Enterprises.

The activities for adding new customers are organized in 2 accounting procedures, viz.
- the procedure for Receiving New Customers;
- the procedure for Installing Service Connections.

The Procedure for Receiving New Customers is a Working Arrangement which organizes people and activities to:
- record and screen candidate customers in a correct and orderly manner;

- make sure that the financial relations between both parties are clear and on paper;
- bill connection fees;
- control the required activities for accepting new customers.

The procedure consists of 5 steps and involves 3 sections, the Head of the Technical Department and the Director PDAM/Head BPAM. These steps comprise:
- receiving request of candidate customer;
- calculate connection fee;
- approval of connection fee by candidate customer;
- prepare bills;
- bookkeeping.

* * *

TITLE :	CODE :
1. 3 Important aspects of attracting new customers	OPF 017/V 1
2. Objectives of the procedure for receiving new customers	OPF 017/V 2
3. Flowchart of the procedure for receiving new customers	OPF 017/V 3

- LOOK ACTIVELY FOR POTENTIAL CUSTOMERS
- MAKE IT ATTRACTIVE TO BECOME CUSTOMER
- FAST AND CORRECT PROCESSING OF APPLICATIONS

- RECORD AND SCREEN APPLICATIONS
- FORMALIZE FINANCIAL RELATION W.E AND CUSTOMER
- BILL CONNECTION FEES
- CONTROL ACTIVITIES

Module	INTRODUCTION TO THE PROCEDURE FOR INSTALLING SERVICE CONNECTIONS	Code : OPF 018 ____
		Edition : 19-04-1985
Section I : INFORMATION SHEET		Page : 01 of 01/10

Duration :	45 minutes.
Training objectives :	After this session, the trainee will be able to: - recite the objectives fo the Procedure for Installing Service Connections; - explain in the correct order the step-by-step sequence of this procedure.
Trainee selection :	- Director PDAM/Head BPAM; - All Department Heads; - All Section Heads.
Training aids :	- Viewfoils : OPF 018/V 1-3; - Handout : OPF 018/H 1.
Special features :	Implementation of the steps of this procedure is explained in seperate modules.
Keywords :	Procedure/new customer/installing/service connection.

1. Introduction	
Candidate customers should be connected as soon as possible to our system after their application.	
There are, however, a number of technical aspects to consider: - we should only start after the candidate customer has approved the budget for the service connection and has made a down payment; - after the installation, our candidate should be immediately activated in our administration as a customer and from that moment on billed for his consumption; - this activity involves the Technical and the Finance & Administration Departments and requires good coordination.	Show V 1
Installing service connections is organized in the procedure of the same name. Receiving applications from candidate customers and its processing is regulated by the Procedure for Receiving New Customers.	
2. Objective of the procedure	
The Procedure for Installing Service Connections is a Working Arrangement which organizes people and activities to: - install service connections; - collect and administrate connection fees; - administrate consumed materials for the service connection.	Show V 2
3. Steps	
Ask the participants to identify the activities of this procedure and the persons involved.	Write answers on whiteboard
Order answers and evaluate.	
Recapitulate the procedure which is as follows:	

Show V 3

The procedure consists of 4 (four) activities and involves 3 (three) sections, the Branch Office Manager, the Heads of the Technical and Finance & Administration Departments and the Director PDAM/Head BPAM.

These steps comprise:

a. Collect payment

Activities:
- collect payment of connection fee, total or first installment;
- customer receives original bill;
- bills for the remaining installments are kept with the customer file (customer envelope);
- daily receipts are summarized in a daily report and approved by responsible manager (Head of the Finance & Administration Department c.q. Branch Office Manager);
- receipts are daily deposited in bank.

Involved persons/sections:
- cash section; cashier;
- responsible manager (Head of the Finance & Administration Department c.q. Branch Office Manager).

b. Instruction to install

Activities:
- receive report on payment by customer from cashier;
- prepare work order for installing service connection;
- approval by Head of the Technical Department.

Involved persons/sections:
- customer relations sections;
- responsible manager (Head of the Finance & Administration Department c.q. Branch Office Manager.

c. Installation

Activities:
- receive work order for installing service connection from customer relations;
- request materials from warehouse;
- install service connection;
- prepare report on completion, signed by customer and supervisor;
- transfer of connection from the Technical to the Finance & Administration Department;
- transfer approved by the Management (Director PDAM/Head BPAM, Heads of the Technical and Finance & Administration Departments, and Branch Office Manager).

Involved persons/sections:
- distribution section;
- management (Director PDAM/Head BPAM), Head of the Technical and Finance & Administration Department and Branch Office Manager).

d. Bookkeeping

Activities:
- record transactions;
- verify.

Involved persons/sections:
- bookkeeping section.

4. **Discussion**

Discuss the procedure by asking the participants among other:
- what happens if a service connection is not transferred to the Finance & Administration Department?
- why should a customer pay before we start installing the service connection?
- how are we sure that the customer will pay all his installments for the connection fee?

- how can we make sure that the new customer is billed from the very start?
- what happens when not all issued materials are used and how is this recorded?

4. Summary

Installing service connections is organized in the procedure of the same name.

Receiving applications from candidate customers and its processing is regulated by the Procedure for Receiving New Customers.

The Procedure for Installing Service Connections is a Working Arrangement which organizes people and activities to:
- install service connections;
- collect and administrate connection fees;
- administrate consumed materials for the service connection.

Show V 2

The procedure consists of 4 (four) activities and involves 3 (three) sections, the Branch Office Manager, the Heads of the Technical and Finance & Administration Departments and the Director PDAM/Head BPAM.

Show V 3

These steps comprise:
- collect payment;
- instruction to install;
- install;
- bookkeeping.

Module : INTRODUCTION TO THE PROCEDURE FOR INSTALLING SERVICE CONNECTIONS	Code : OPF 018
	Edition : 19-04-1985
Section 3 : T R A I N I N G A I D S	Page : 01 of 01

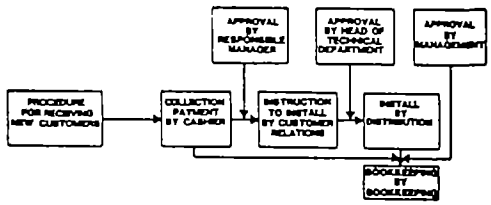
3 (three) important aspects of installing service connections — OPF 018/V 1

- Start only after (down) payment
- Billing for consumption from the very start
- Coordination between Technical and Finance & Administration Departments.

Objectives of the procedure for installing service connections — OPF 018/V 2

- Install Service Connections
- Colect and administrate Conection Fees
- Administrate consumed materials for the service connections

Flowchart of the procedure for installing service connections — OPF 018/V 3



Introduction to the procedure for installing service connections — OPF 018/H 1

1. INTRODUCTION

Candidate customers should be connected as soon as possible to our system after their application.

There are, however, a number of technical aspects to consider:
- we should only start after the candidate customer has approved the budget for the service connection and has made a down payment;
- after the installation, our candidate should be immediately activated in our administration as a customer and from that moment on billed for his consumption;
- this activity involves the Technical and the Finance & Administration Departments and requires good coordination.

Installing service connections is organized in the procedure of the same name. Receiving applications from candidate customers and its processing is regulated by the Procedure for Receiving New Customers.

2. OBJECTIVE FO THE PROCEDURE

The Procedure for Installing Service Connections is a Working Arrangement which organizes people and activities to:
- install service connections;
- collect and administrate connection fees;
- administrate consumed materials for the service connection.

3. S T E P S

The procedure consists of 4 (four) activities and involves 3 (three) sections, the Branch Office Manager, the Heads of the Technical and Finance & Administration Departments and the Director PDAM/Head BPAM. These steps comprise (refer to Fig. 1.).

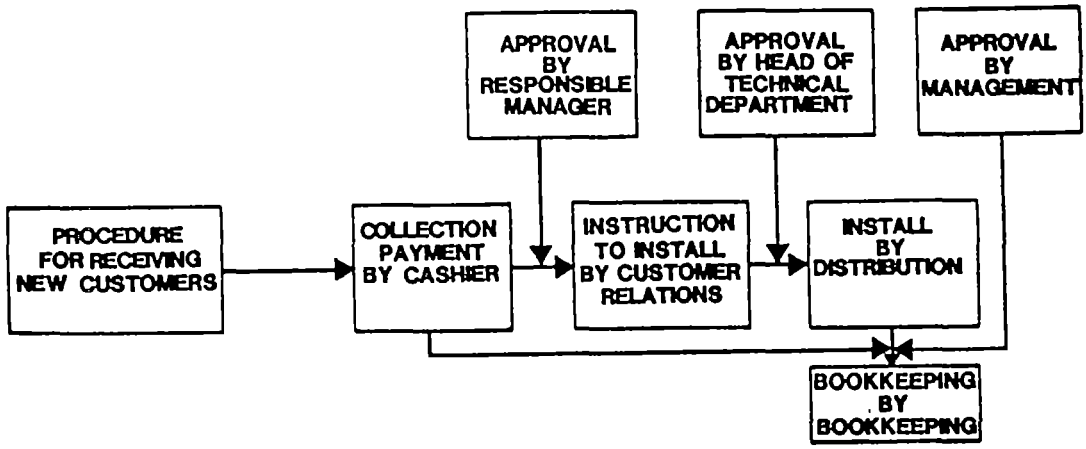


Fig. 1. Flowchart.

a. Collect payment

Activities:
- payment of connection fee, total or first installment;
- customer receives original bill;
- daily receipts are summarized in a daily report and approved by responsible Manager (Head of the Finance & Administration Department c.q. Branch Office Manager);
- receipts are daily deposited in bank.

Involved persons/sections:
- cash section: cashier;
- responsible manager (Head of the Finance & Administration Department c.q. Branch Office Manager).

b. Instruction to Install

Activities:
- receive report on payment by customer from cashier;
- prepare Work Order for Installing Service Connection;
- approval by Head of the Technical Department.

Involved persons/sections:
- customer relations sections;
- responsible manager (Head of the Finance & Administration Department c.q. Branch Office Manager).

c. Install

Activities:
- receive Work Order for Installing Service Connection from Customer Relations;
- request materials from warehouse;
- install service connection;
- prepare report on completion, signed by customer and supervisor;
- transfer of connection from the Technical to the Finance & Administration Department;
- tranfer approved by the Management (Director PDAM/Head BPAM, Head of the Technical and Finance & Administration Departments, and Branch Office Manager).

Involved persons/section:
- distribution section;
- management (Director PDAM/Head BPAM, Heads of the Technical and Finance & Administration Department and Branch Office Manager).

d. Bookkeeping

Activities:
- record transaction;
- verify.

Involved persons/sections:
- bookkeeping section.

4. SUMMARY

Installing service connections is organized in the procedure of the same name. Receiving applications from candidate customers and its processing is regulated by the Procedure for Receiving New Customers.

The Procedure for Installing Service Connections is a Working Arrangement which organizes people and activities to:
- install service connections;
- collect and administrate connection fees;
- administrate consumed materials for the service connection.

The procedure consists of 4 (four) activities and involves 3 (three) sections, the Branch Office Manager, the Heads of the Technical and Finance & Administration Departments and the Director PDAM/Head BPAM. These steps comprise:

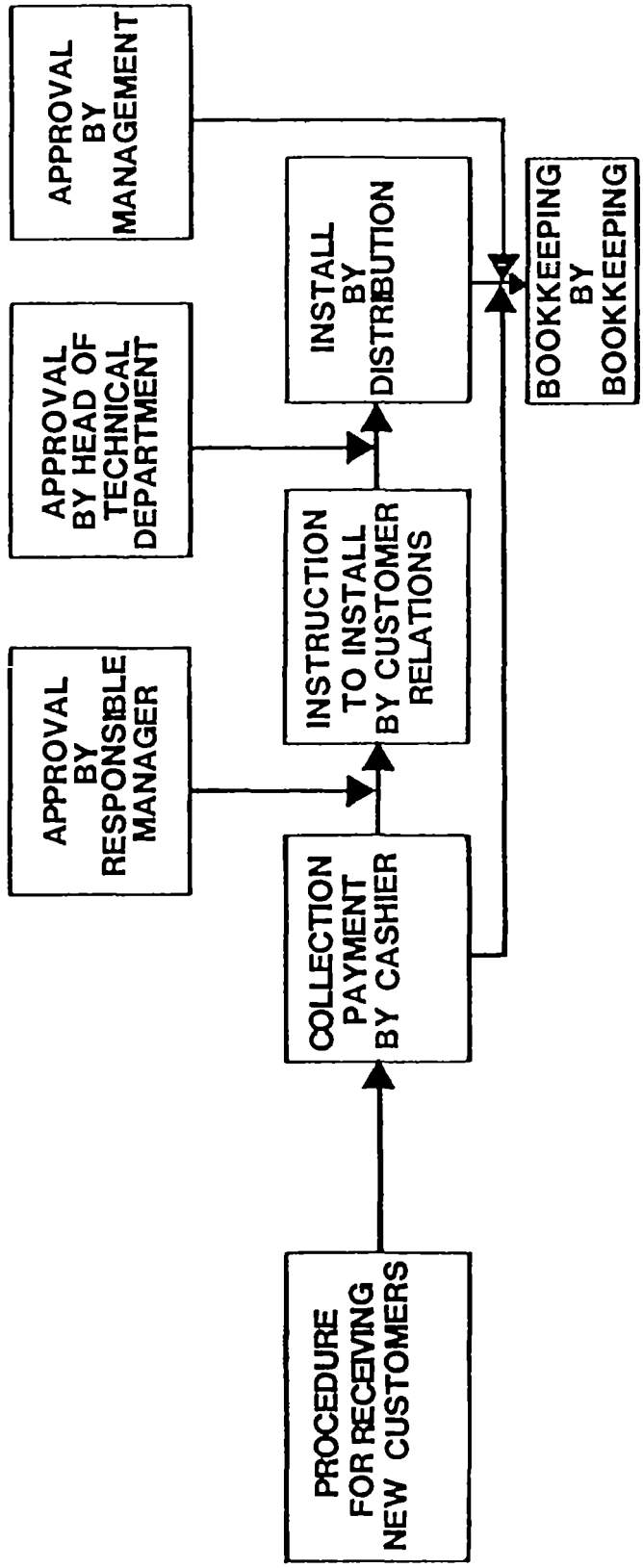
- collect payment;
- instruction to installation;
- install;
- bookkeeping.

* * *

TITLE :	CODE :
1. 3 important aspects of installing service connection	OPF 018/V 1
2. Objectives of the procedure	OPF 018/V 2
3. Flowchart procedure installing service connection	OPF 018/V 3

- Start only after (down) payment
- Billing for consumption from the very start
- Coordination between Technical and Finance & Administration Departments.

- Install Service Connections
- Colect and administrate Conection Fees
- Administrate consumed materials for the service connections


APPROVAL BY MANAGEMENT
APPROVAL BY HEAD OF TECHNICAL DEPARTMENT
APPROVAL BY RESPONSIBLE MANAGER
INSTALL BY DISTRIBUTION
INSTRUCTION TO INSTALL BY CUSTOMER RELATIONS
BOOKKEEPING BY BOOKKEEPING
COLLECTION PAYMENT BY CASHIER
PROCEDURE FOR RECEIVING NEW CUSTOMERS

Module : INTRODUCTION TO THE PROCEDURE FOR SALARY PAYMENTS	Code : OPF 019
	Edition : 09-03-1985
Section I : INFORMATION SHEET	Page : 01 of 01/08

Duration :	45 minutes.
Training objectives :	After this session, the trainee will be able to: - recite the objectives of the Procedure for Salary Payments; - explain in the correct order of the step-by-step sequence of this procedure.
Trainee selection :	- Directorate PDAM/Head BPAM; - Head of the Technical Department; - All Section Heads.
Training aids :	- Viewfoils: OPF 019/V 1-2; - Handout : OPF 019/H 1.
Special features :	Implementation of the steps of this procedure is explained in separate modules.
Keywords :	Procedure/salary payments.

1. Introduction

Employees expect to be paid on time and the correct amount of money.

Salaries usually consist of different components which may vary per person and per period and will have to be calculated each time again.

Salaries are costs and to have an insight in our costs, we like to know to which expence accounts we have to charge these costs.

These 2 aspects are regulated by the Procedure for Salary Payments.

2. Objectives of the Procedures

The Procedure for Salary Payments is a Working Arrangement which organizes people and activities to:
- pay salaries on time and in the correct amount;
- account for salaries.

Show V 1

3. Steps

Ask participants to identify activities of this procedure and who is involved.

Order answers and evaluate.

Recapitulate the procedure which is as follows:

Show V 2

The procedure consists of 4 steps and involves 3 (three) sections, the Head of Finance and Administration Department, and Director PDAM/Head BPAM.

a. Prepare list of Salaries.

Activities:
- Calculate salaries of employees;
- Summarize and indicate to what expence accounts salaries have to be charged;
- Approval by the Head of the Finance & Administration Department.

Involved persons/sections:
- General Administration: Personnel;
- Head of the Finance & Administration Department.

b. Instruction to pay.

Activities:
- Prepare voucher for payments;
- Approval by the Director PDAM/Head BPAM.

Involved persons/sections:
- Bookkeeping;
- Director PDAM/Head BPAM.

c. Payment.

Activities:
- Prepare check;
- Signed by the Director PDAM/Head BPAM;
- Cash check;
- Pay salary to employees.

Involved persons/sections:
- Cashier;
- Director PDAM/Head BPAM.

d. Bookkeeping.

Activities:
- Record transactions;
- Verify.

Involved persons/sections:
- Bookkeeping.

4. **Discussion**

Discuss the procedure with the participants by asking them among others:

- Should salaries always be paid at the Head Office of could it also be paid at Branch Offices and/or IKK Units?

- If so, how should the procedure be adapted?

5. **Summary**

When paying salaries, we have to consider two aspects:
- our employees expect their salaries on time and correctly;
- salaries are costs and to have an insight in our costs, we have to know to which expence accounts we have to charge these costs.

This is organized in the Procedure for Salary Payments.

The Procedure for Salary Payments is a Working Arrangement which organizes people and activities to:
- pay salaries on time and in the correct amount;
- account for salaries.

Show V 1

This procedure consists of 4 steps and involves 3 sections, the Head of the Finance & Administration Department, and the Director PDAM/Head BPAM.

Show V 2

These steps comprise:
- Prepare list of Salaries.
- Instruction to pay.
- Payments.
- Bookkeeping.

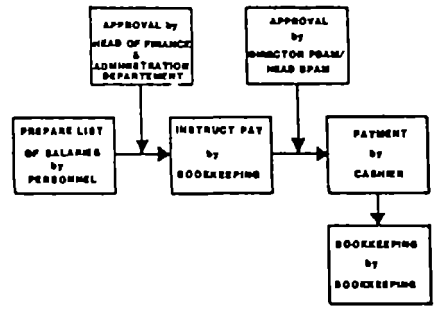
Module : **INTRODUCTION TO THE PROCEDURE FOR SALARY PAYMENTS**	Code : OPF 019
	Edition : 09-03-1985
Section 3 : T R A I N I N G A I D S	Page : 01 of 01

The Objectives of the Procedure for Salary Payments — OPF 019/V 1

-Pay Salaries
- On time
- Correct amount

- Account for salaries

Flowchart of the Procedure for Salary Payments — OPF 019/V 2



Introduction to the Procedure for Salary Payments — OPF 019/H 1

1. INTRODUCTION

Employees expect to be paid on time and the correct amount of money. Incorrect payment of salaries will have a negative effect on the working climate of the Water Enterprise and on the total performance of our Water Enterprise.

Salaries usually consist of different components which may vary per person and per period. Therefore will have to be calculated each time again.

On the other hand, salaries are costs and to have an insight in our costs, we like to know to which expense accounts we have to charge these costs.

These 2 aspects are regulated by the Procedure for Salary Payments.

2. OBJECTIVES OF THE PROCEDURES

The Procedure for Salary Payments is a Working Arrangement which organizes people and activities to:
- pay salaries on time and in the correct amount;
- account for salaries.

3. STEPS

The Procedure consists of 4 steps and involves 3 sections, the Head of the Finance & Administration Department, and the Director PDAM/ Head BPAM.

These steps comprise (see fig. 1):

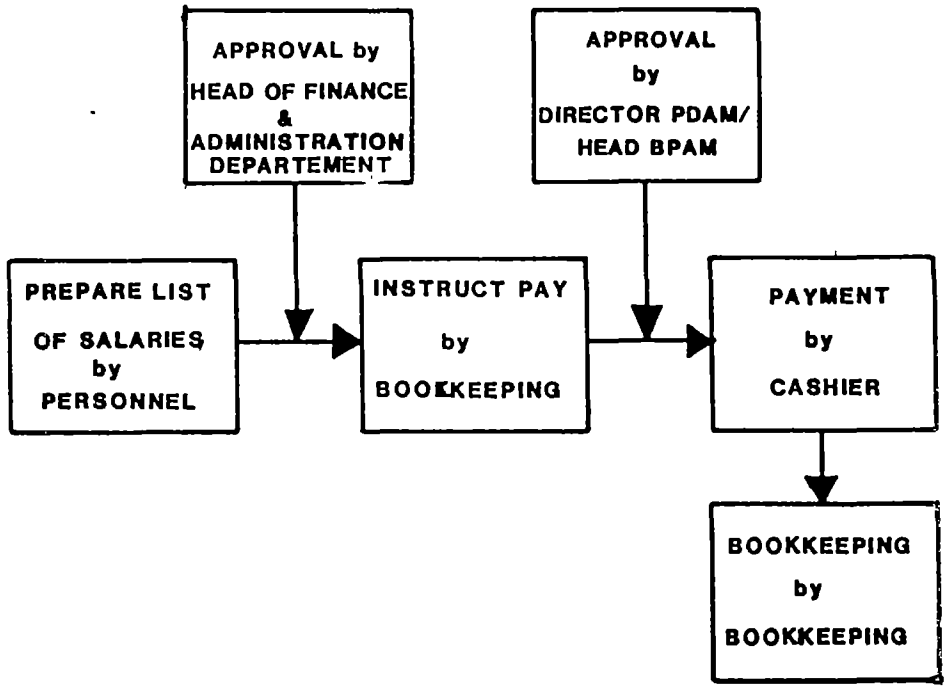


Fig. 1. Flowchart.

a. Prepare list of Salaries.

Activities:
- Calculate the salaries of the employees.
- Summarize and indicate to what expense accounts the salaries have to be charged.
- Approval by the Head of the Finance & Administration Department.

Involved persons/sections:
- General Administration and Personnel Section.
- Head of the Finance & Administration Department.

b. Instruction to pay.

Activities:
- Prepare voucher for payments.
- Approval by the Director PDAM/Head BPAM.

Involved persons/sections:
- Bookkeeping Section;
- Director PDAM/Head BPAM.

c. Payment.

Activities:
- Prepare check;
- Signed by the Director PDAM/Head BPAM;
- Cash check;
- Pay salary to employees.

Involved persons/sections:
- Cashier.
- Director PDAM/Head BPAM.

d. Bookkeeping.

Activities:
- Record transactions.
- Verify.

Involved persons/sections:
- Bookkeeping.

4. SUMMARY

When paying salaries, we have to consider two aspects:
- our employees expect their salaries on time and correct;
- salaries are costs and to have an insight in our costs, we have to know to which expense accounts do we have to charge these costs.

This is organized in the Procedure for Salary Payments.

The Procedure for Salary Payments is a Working Arrangement which organizes people and activities to:
- pay salaries on time and in the correct amount;
- account for salaries.

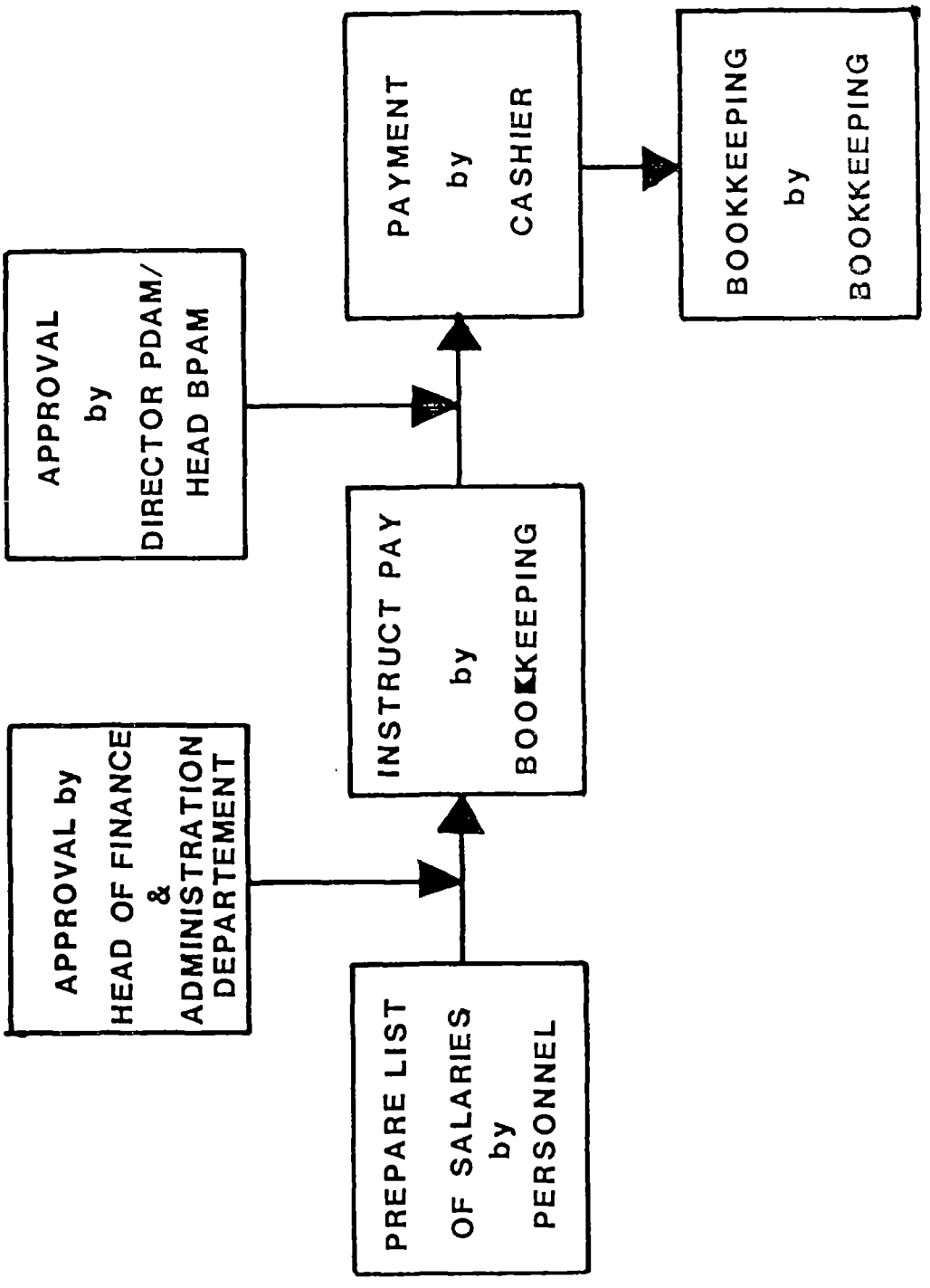
This procedure consists of 4 steps and involves 3 sections, the Head of the Finance & Administration Department, and the Director PDAM/Head BPAM. These steps comprise:
- Prepare list of Salaries;
- Instruct to pay;
- Payment;
- Bookkeeping.

* * *

TITLE :	CODE :
1. Objectives of the procedure for salary payments	OPF 019/V 1
2. Flowchart of the procedure for salary payments	OPF 019/V 2

-Pay Salaries

- On time
- Correct amount
- Account for salaries


APPROVAL by HEAD OF FINANCE & ADMINISTRATION DEPARTEMENT
APPROVAL by DIRECTOR PDAM/ HEAD BPAM
PREPARE LIST OF SALARIES by PERSONNEL
INSTRUCT PAY by BOOKKEEPING
PAYMENT by CASHIER
BOOKKEEPING by BOOKKEEPING

Module : INTRODUCTION TO THE PROCEDURE FOR PETTY CASH	Code : OPF 020 Edition : 07-03-1985
Section : INFORMATION SHEET	Page : 01 of 01/11

Duration :	45 minutes.
Training objectives :	After this session, the trainee will be able to: - recite the objectives of the Procedure for Petty Cash; - explain in the correct order the step-by-step sequence of this procedure.
Trainee selection :	- Director PDAM/Head BPAM; - Head of the Technical Department; - All Section Heads.
Training aids :	- Viewfoils: OPF 020/V 1-3; - Handout : OPF 020/H 1.
Special features :	Implementation of the steps of this procedure is explained in seperate modules.
Keywords :	Procedure/petty cash/minimum saldo/ceiling.

- Paid requests and supporting documents must be kept with the Petty Cash.

Involved persons/sections:
- Petty Cash Officer.

b. Prepare Summary of Petty Cash Expenditures.

Activities:
- Prepare a summary of all Petty Cash expenditures, supported by documentation, by the time the Petty Cash fund is approaching its minimum level (or at the end of each month).
- Approval by authorized official.

Involved persons/sections:
- Petty Cash Officer.
- Authorized official for Petty Cash.

c. Request Replenishment of Petty Cash Funds.

Activities:
- Prepare request for replenishment Petty Cash Funds.
- Approval by the Head of the Finance & Administration Department.

Involved persons/sections:
- Bookkeeping.
- Head of the Finance & Administration Department.

d. Replenishment of Petty Cash Funds.

Activities:
- Prepare check for replenishment.
- Sign by the Director PDAM/Head BPAM.
- Give check to Petty Cash Officer.

Involved persons/sections:
- Cash Section: cashier.
- Director PDAM/Head BPAM.

1. Introduction

Cash is perhaps the easiest asset to lose through theft and embezzlement, therefore rigid control over cash should be practiced.

In principle, all cash disbursements should be made by check.

There are, however, each day many expenditures of a relative small amount and of a routine nature.

To prevent a too large workload for the Cash Section, these expenditures will be paid through a petty cash fund.

A number of rules should be established to operate a petty cash fund.

These rules cover aspects, such as

Show V 1

- the amount available for the petty cash fund not too low in order not to hamper operations but also not too high;
- the maximum amount which may be paid through the petty cash;
- a minimum saldo for the petty cash at which the fund will be replenished;
- all disbursements from the petty cash must be supported by sales receipts or other memoranda;
- at the time the petty cash fund is replenished, it should be examined by someone other than the person in charge of the fund to verify that the amount of the replenishment check (properly vouchered) corresponds with the amount by which the petty cash funds is depleted;
- care should be taken that the petty cash should will not be used to bypass the more time consuming regular procedure for payments.

- designate who is responsible for the Petty Cash Fund (Petty Cash Officer) and who supervises (authorized official). To make sure that petty cash funds will be used according to its original intention, a special Accounting Procedure for Petty Cash has been created.	
2. **Objectives of the Procedure** The Procedure for Petty Cash is a Working Arrangement which organizes people and activities to: - pay small expenditures immediately in cash; - make sure that there will be sufficient cash for small expenditures; - control petty cash expenditures.	Show V 2
3. **Steps** Ask the participants to identify the activities of this procedure and who is involved. Order answers and evaluate together.	Write answers on whiteboard
Recapitulate the procedure which is as follows: The Procedure for Petty Cash consists of 5 steps and involves 2 sections, the Petty Cash Officer, the Head of the Finance & Administration Department, and the Director PDAM/Head BPAM. These steps comprise: a. <u>Payment through the Petty Cash Funds.</u> Activities: - Receive properly approved request for payment through Petty Cash. - Request must be approved by authorized official. - Pay.	Show V 3

e. Bookkeeping.

Activities:
- Record transactions.
- Verify.

Involved persons/sections:
- Bookkeeping.

4. **Discussion**

Discuss the procedure with the participants by asking them a.o.

- Is it allowed to replenish our Petty Cash with payments for Water Bills?
- What happens when the ceiling of the Petty Cash is too low?
- Is it correct to use the Petty Cash to speed up payments to suppliers which can not be delayed?

5. **Summary**

To prevent a too large workload for the Cash Section, small routine expenditures may be paid through a petty cash fund.

As cash is perhaps the easiest asset to lose through theft and embezzlement, rigid control over cash should be practiced.

To make sure that petty cash funds will be used according to its original intention, a special Accounting Procedure for Petty Cash has been created.

The Procedure for Petty Cash is a Working Arrangement which organizes people and activities to:
- pay small expenditures immediately in cash;
- make sure that there will be sufficient cash for small expenditures;
- control petty cash expenditures.

Show V 2

The Procedure for Petty Cash consists of 5 steps and involves 2 sections, the Petty Cash Officer, the Head of the Finance & Administration Department, and the Director PDAM/Head BPAM.	Show V 3
These steps comprise: - Payment through the Petty Cash Funds. - Preparing the Summary of Petty Cash Expenditures. - Request to Replenish Petty Cash Funds. - Replenishment of Petty Cash Funds. - Bookkeeping.	Give H 1

1. INTRODUCTION

Cash is perhaps the easiest asset to lose through theft and embezzlement. Therefore rigid control over cash should be practiced. In principle, all cash disbursements should therefore be made by check.

There are, however, each day many expenditures of a relative small amount and of a routine nature. To prevent a too large workload for the Cash Section, these expenditures will be paid through a petty cash fund.

A number of rules should be established to operate a petty cash. These rules cover aspects, such as:
- a ceiling which should be established for the petty cash fund, not too low in order to hamper operations but also not too high;
- the maximum amount which may be paid through the petty cash;
- a minimum saldo for the petty cash at which, the fund will be replenished;
- all disbursements from the petty cash must be supported by sales receipts or other memoranda;
- at the time the petty cash fund is replenished, it should be examined by someone other than the person in charge of the fund to verify that the amount of the replenishment check (properly vouchered) corresponds with the amount by which the petty cash funds is depleted;
- care should be taken that the petty cash is not used to bypass the more time consuming regular procedure for payments;
- designate who is responsible for the Petty Cash Fund (Petty Cash Officer) and who supervises (Authorized Official).

To make sure that petty cash funds will be used according to its original intention, a special Accounting Procedure for Petty Cash has been created.

2. OBJECTIVES OF THE PROCEDURE

The Procedure for Petty Cash is a Working Arrangement which organizes people and activities to:
- pay small expenditures immediately in cash;
- make sure that there will be sufficient cash for small expenditures;
- control petty cash expenditures.

Module : INTRODUCTION TO THE PROCEDURE FOR PETTY CASH	Code : OPF 020
	Edition : 07-03-1985
Section 3 : T R A I N I N G A I D S	Page : 01 of 01

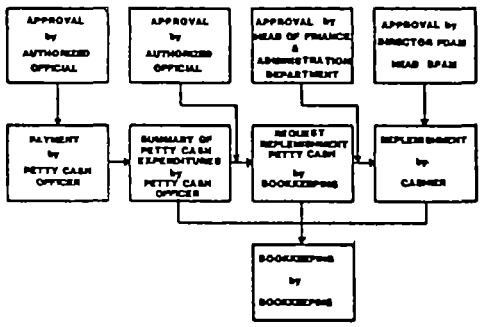
The set-up of a Petty Cash Fund — OPF 020/V 1

- Ceiling
- Maximum disbursement
- Minimum saldo
- Supporting documents
- Do not bypass regular procedure for payments
- Designate :
  - Who is responsible
  - Who supervises

The Objectives of the Procedure for Petty Cash — OPF 020/V 2

- Pay small expenditures in cash
- Make sure that there is sufficient cash for small expenditures
- Control petty cash expenditures

Flowchart of the Procedure for Petty Cash — OPF 020/V 3



Introduction to the Procedure for Petty Cash — OPF 020/H 1

3. STEPS

The Procedure for Petty Cash consists of 5 steps ad involves 2 sections, the Petty Cash Officer, the Head of the Finance & Administration Department, and the Director PDAM/Head BPAM.

These steps comprise (refer to Fig. 1):

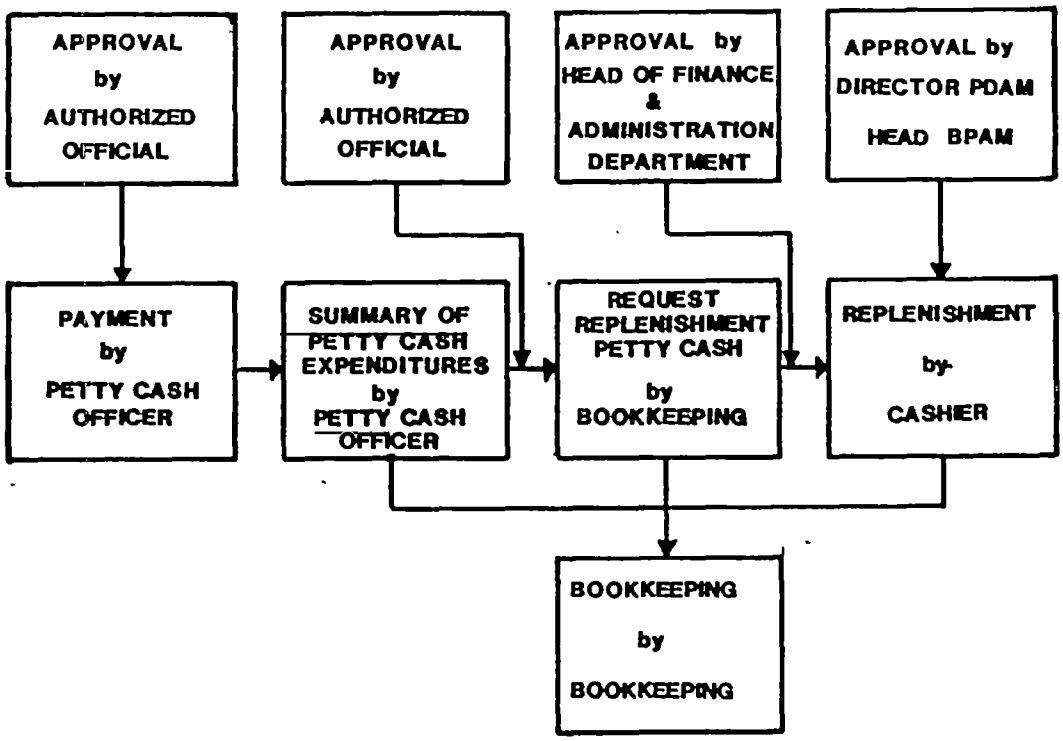


Fig. 1. Flowchart.

a. **Payment through the Petty Cash Funds**

Activities:
- Receive properly approved request payment from Petty Cash;
- Request must be approved by authorized official;
- Pay;
- Paid requests and supporting documents must be kept with the Petty Cash until replenishment.

Involved persons/sections;
- Petty Cash Officer.

b. **Prepare Summary of Petty Cash Expenditures**

Activities:
- Prepare a summary of all Petty Cash expenditures, supported by documentation, by the time the Petty Cash fund is approaching minimum level (or at the end of each month);
- Approval by authorized official.

Involved persons/sections:
- Petty Cash Officer;
- Authorized official for Petty Cash.

c. **Request Replenishment of Petty Cash Funds**

Activities:
- Prepare request for replenishment Petty Cash Funds;
- Approval by the head of Finance & Administration Department.

Involved persons/sections:
- Bookkeeping;
- Head of Finance & Administration Department.

d. **Replenishment of Petty Cash Funds**

Activities:
- Prepare check for replenishment;
- Sign by the Director PDAM/Head BPAM;
- Give check to Petty Cash Officer.

Involved persons/sections:
- Cash Section: cashier;
- Director PDAM/Head BPAM;

e. **Bookeeping**

Activities:
- Record transactions;
- Verify.

Involved persons/sections:
- Bookkeeping.

TITLE :	CODE :
1. The set-up of a petty cash fund	OPF 020/V 1
2. Objectives of the petty cash procedures	OPF 020/V 2
3. Flowchart of the petty cash procedure	OPF 020/V 3

4. SUMMARY

To prevent a too large workload for the Cash Section, small routine expenditures may be paid through a petty cash fund. As cash is perhaps the easiest asset to lose through theft and embezzlement, rigid control over cash should be practiced. To make sure that petty cash funds will be used according to its original intention, a special Accounting Procedure for Petty Cash has been created.

The Procedure for Petty Cash is a Working Arrangement which organizes people and activities to:
- pay small expenditures immediately in cash;
- make sure that there will be sufficient cash for small expenditures;
- control petty cash expenditures.

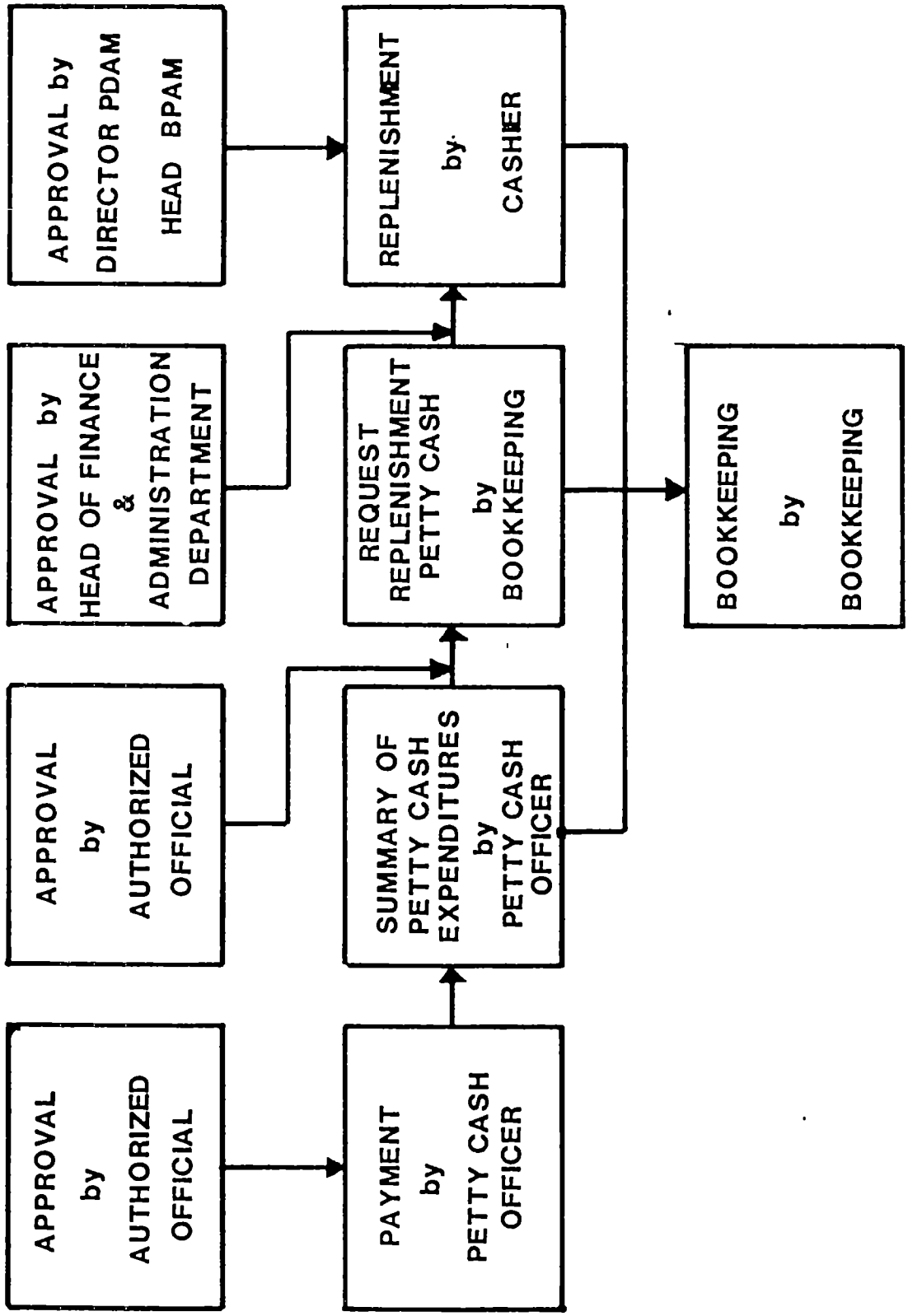
The Procedure for Petty Cash consists of 5 steps and involves 2 sections, the Petty Cash Officer, the Head of Finance & Administration Department, and the Director PDAM/Head BPAM.

These steps comprise:
- Payment through the Petty Cash Funds;
- Preparing the Summary of Petty Cash Expenditures;
- Request to Replenish of Petty Cash Funds;
- Replenishment of Petty Cash Funds;
- Bookkeeping.

* * *

- Ceiling
- Maximum disbursement
- Minimum saldo
- Supporting documents
- Do not bypass regular procedure for payments
- Designate :
  - Who is responsible
  - Who supervises

- Pay small expenditures in cash
- Make sure that there is sufficient cash for small expenditures
- Control petty cash expenditures


APPROVAL by
DIRECTOR PDAM
HEAD BPAM
APPROVAL by
HEAD OF FINANCE
&
ADMINISTRATION
DEPARTMENT
APPROVAL
by
AUTHORIZED
OFFICIAL
APPROVAL
by
AUTHORIZED
OFFICIAL
REPLENISHMENT
by
CASHIER
REQUEST
REPLENISHMENT
PETTY CASH
by
BOOKKEEPING
SUMMARY OF
PETTY CASH
EXPENDITURES
by
PETTY CASH
OFFICER
PAYMENT
by
PETTY CASH
OFFICER
BOOKKEEPING
by
BOOKKEEPING

Module : OFFICE EQUIPMENT - INTRODUCTION	Code : OEA 001
	Edition : 25-02-1985
Section 1 : INFORMATION SHEET	Page : 01 of 01/06

Duration :	45 minutes.
Training objectives :	After this session trainees will be able to: - explain that forms are a tool of communication; - list main equipment to handle flow of forms for administering and for filing.
Trainee selection :	- Director PDAM/Head BPAM; - Head of Finance & Administration Department; - Head of Section General Administration & Personnel.
Training aids :	- Viewfoil : OEA 001/V 1 (a-d); - Handout : OEA 001/H 1.
Special features :	- Module to be given after OPM 600 and in connection with OBA 100 and OBA 200.
Keywords :	Office equipment.

1. **Introduction**	
Refer to scale model exercise used for module: "Office lay-out". Summarize results of that exercise.	
2. **Forms**	
According to the Buku Pedoman, 51 different forms are used in water enterprise operations. Forms are a tool of communication between employees. Each employee handles large quantities of forms. Some forms coming on one's desk, require immediate activities, others have to be filed temporarily or permanently. Forms are transferred from one employee to another according to administrative procedures. Example: "New connection"	
- Ask: How many forms are to be used before a new connection can be made?	
- List answers.	Use whiteboard
- Discuss answers.	
3. **Tools/Equipment**	
- Employees need tools to carry out their administrative duties: . type writer; . adding machine; . calculator; . writing materials etc.	Show V 1 (a-d)
- But they also need equipment to handle the flow of forms which passes their desks. For filing purposes they need:	

. box files;
. card boxes;
. form trays.

They also need open or closed cupboards, filing cabinets etc. Adequate lighting, and desks and chairs of proper size are indispensable requisites too.

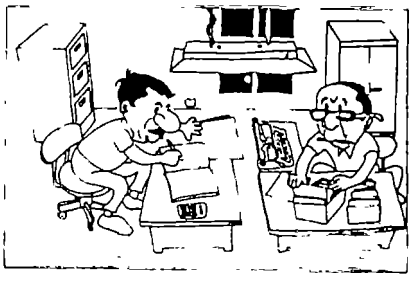
4. **Summary**

- An efficient office needs equipment.

- Equipment includes:
  . paper;
  . machines;
  . cupboards;
  . furniture.

Give H 1

Module : OFFICE EQUIPMENT - INTRODUCTION	Code : OEA 001
	Edition : 25-02-1985
Section 3 : T R A I N I N G A I D S	Page : 01 of 01

Office equipment OEA 001/V 1 (a-d) 	
	Office equipment - introduction OEA 001/H 1

1. INTRODUCTION

The office lay-out must reflect the work flow in the office. The work flow is defined by procedures, in which some 50 forms are used.

2. FORMS IN THE ADMINISTRATIVE PROCEDURES

The vast majority of administrative activities in the water enterprise office is carried out according to administrative procedures. In such procedures extensive use is made of forms. According to the Buku Pedoman Pelaksanaan Sistem Akuntansi Perusahaan Air Minum more than 50 different forms are used in water enterprise operations.
For instance, to record the different steps which must be carried out before a new customer is connected to the water supply system, 18 different forms are used.

Forms are used for communication between enterprise staff. When an employee completes his work, he records the result on a form and then transfers this form, often with the previous ones, to the next employee. Now this employee can start his activities.
The billing officer, for instance, receives the records on water consumption from the Customer Relations Officer. Based on these records he prepares the bills and the debtors lists. Then he gives these to the officer in charge of checking. Now this officer can start his activities. Enterprise staff communicate through forms.

3. OFFICE TOOLS/EQUIPMENT

Each employee must handle large quantities of forms. Some forms come on his desk, the required activities are immediately carried out, the forms are filled in and handed to the next employee; other forms are temporarily filed, then filled in and given to the next employee; again others are permanently filed. Each employee also needs a stock of blank forms which he uses regularly.
Employees should have the necessary office equipment to carry out their administrative duties and to handle the flow of forms which passes their desks.

For each employee it should be carefully planned which office equipment is needed:
- To carry out his administrative activities.
- To handle the flow of forms which passes his desk.

Equipment may include:

- For administrative activities:
  . type writer;
  . adding machine;
  . calculator;
  . photocopying machine.

- For filing purposes:
  . box files;
  . card boxes;
  . form-trays.

Enterprise staff should not only have the necessary equipment to handle the flow of forms, but also the necessary cup-boards, filing cabinets, and drawers to store this equipment.

Cup-boards include:
- Open cup-boards for box-files.
- Closed cup-boards which can be locked for valuable equipment, stationery, and confidential files.
- Filing cabinets for enterprise correspondence.

4. SUMMARY

Without sufficient office equipment the enterprise will not be able to operate efficiently.
The equipment includes: paper, machines, cupboards and furniture.

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TITLE :	CODE :
1. Office equipment - Introduction	OEA 001/V 1 (a-d)