

Accounts Payable Procedures

1. Purpose and Objectives

The purpose of these procedures are:

- To outline the process of payments to external suppliers of the RGIT. This includes the authorization of invoices and the processing of transactions using MYOB accounting system.
- To ensure that RGIT conducts its financial affairs in a manner that is acceptable to the Board, our external auditors and is in accordance with generally acceptable good financial governance.

2. Procedures for authorization of invoices

- Suppliers are to be advised that all invoices are to be forwarded to Accounts Department of RGIT.
- The Accounts Payable Officer needs to maintain a record of the receipt of the invoices and allocate it to the relevant manager/department for the verification/approval. The invoices related to agents/partner's commission need to be allocated to the student administration manager. All other invoices are to be allocated to the originating department.
- The student administration manager needs to thoroughly check the invoice including:
 - a) Enrolment date
 - b) Census date
 - c) Number of students
 - d) Commission rate
 - e) The word 'Tax Invoice'
 - f) The supplier's name or trading name
 - g) The ABN of partner/agent
- Once the invoice has been thoroughly checked, it should be marked or stamped with the word "CHECKED" followed by the initials and date.
- Any discrepancy in the invoice needs to be resolved by the student administration manager. Agent/partner needs to be requested to raise a new invoice if the invoice submitted originally is incorrect. **Manual correction/future adjustment in the invoice will not be acceptable and Accounts Payable Officer will not process such invoice for the payment.**
- The originating department needs to check the following in a tax invoice:

Page: 1 of 3

Accounts Payable Procedures

- a) The word 'Tax Invoice'
 - b) The supplier's name or trading name
 - c) The supplier's address
 - d) The supplier's ABN
 - e) Purchase order number (if applicable)
 - f) Evidence of goods/services having been received according to specification.
- As stated above in the case of agent's/partner's commission, any discrepancy in the invoice needs to be resolved by the originating department. The supplier of goods/services needs be requested to raise a new invoice if the invoice submitted originally is incorrect.
 - The invoice checked as above needs to be forwarded to CEO for the final approval.
 - The CEO, upon approving invoice, needs to forward it to the Accounts Manager.

3. Process in the Accounts Department

Entering invoices in MYOB:

- The Accounts Manager assigns the General Ledger code to the approved invoices and forwards this to the Accounts Payable Officer.
- Accounts Payable Officer enters invoices in the MYOB accounting software and write or stamp on them 'entered' or 'processed' to show that they have been recorded in MYOB.
- Invoices processed in MYOB are filed away in an alphabetical concertina folder.

Processing payment:

- Payments are processed either electronically or via cheque.
- Suppliers are paid twice in a month unless there is an urgent payment request where the payment needs to be processed immediately.
- At the end of the month, all invoices which are due for the payment are taken out of the concertina folder.
- Separate batches (EFT, Cheque and B-pay) are created in MYOB based on the mode of payments chosen by the supplier. Wherever possible, payments will be made via EFT. Accounts Payable Officer needs to contact the suppliers to get an EFT details in writing if it's not available in the invoice.

Page: 2 of 3

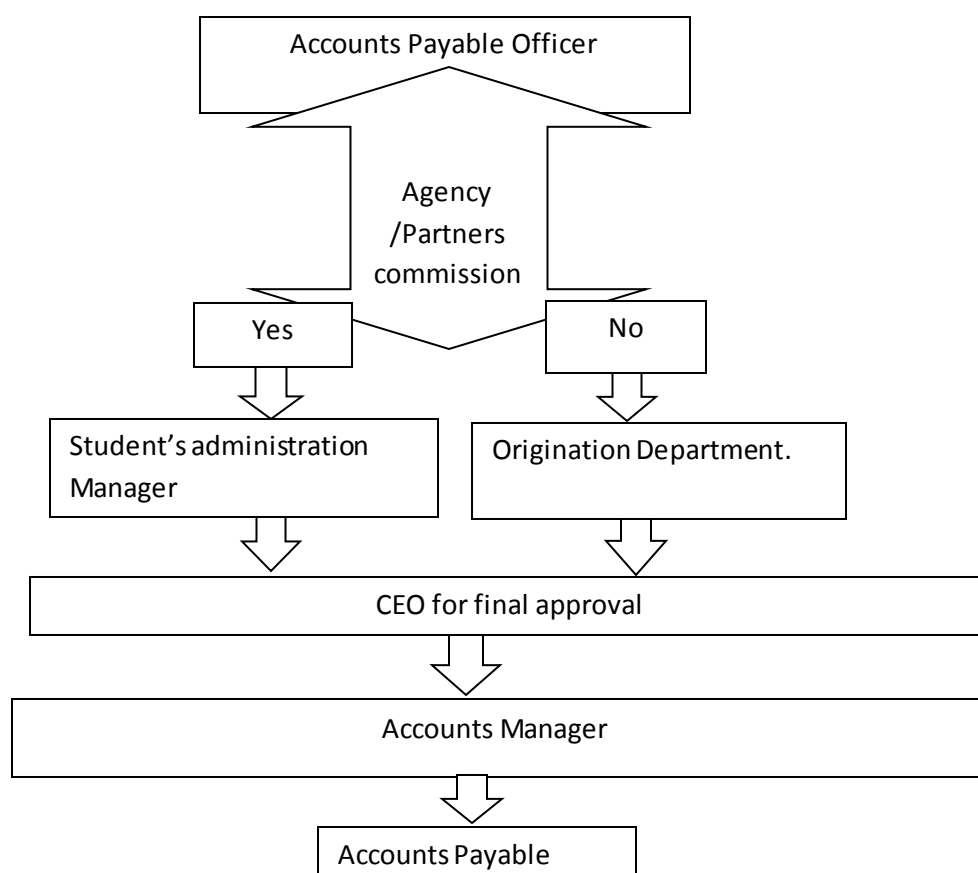
Accounts Payable Procedures

- The payment batch listings along with the invoices are provided to the CEO for making the payment.
- The CEO will review the EFT batch listings and once satisfied approves the payment file loaded in the bank.
- The CEO will review the Cheque batch listings and once satisfied signs the cheques and hands it back to the Accounts Department.
- Accounts Payable Officer prints the system generated remittance invoices. A copy of the remittance advice is attached to the respective invoices and other supporting documents.
- The original remittance advices are sent out to the suppliers as soon as the payment has been made.

Filing:

Paid invoices are filed away in the order of remittance advices. A separate folder is maintained for each month

Diagrammatical explanation of the invoice authorization process



Page: 3 of 3