




GUAM POWER AUTHORITY STANDARD OPERATING PROCEDURE	No.: SOP-101 Issued: 4/22/11 Prepared By:  RODRIGO BUMAGAT Accountant III <i>pub</i>
TITLE: VENDOR DISCOUNT POLICY	Concurred by:  RANDALL V. WIEGAND Chief Financial Officer Approved By:  JOAQUIN C. FLORES General Manager
Revised Effective Date: 4/22/11 Supersedes No. SP-101, dated 1/01/03 Page 1 of 2	

1.0 PURPOSE

To establish within the Authority the procedures and guidelines for availing of discounts offered by Vendors who are requesting for payments before the due dates.

2.0 SCOPE

Applicable to all Vendors or Suppliers contracted by the Authority requesting for payment prior to due dates specified in the purchase order or contract.

3.0 PROCEDURES AND GUIDELINES

3.1 Scheduling

Accounts Payable Section shall schedule and process payments to Vendors.

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3.2 Processing

The Accounts Payable Section is in charge of "Accounts Payables" ensuring that all liabilities or invoices for materials, supplies and / or services are properly recorded and paid. As a policy, all disbursements should have proper authorization and must include a purchase order or direct payment request with budget clearance, original invoice, receiving report and approval for payment by the end user.

All payments on invoices are due NET 30 days after receipt of original invoice, goods and or services provided the documentation listed above is received in good order.

Any Vendor requesting payments prior to the due dates may do so by offering a "Discount" of 4% or greater. The discount offer must be communicated in writing and/ or specified in the invoice.

The Authority has the option to accept or reject the discount offer depending on the Authority's cash requirements and fund balances. The acceptance of the discount offer must be authorized, approved and signed by the following:

<u>Discount Amount</u>	<u>Authorized Approver</u>
Up to \$ 4,999.99	AP Supervisor
\$5,000.00 to \$9,999.99	Controller
\$10,000 and over	CFO & Assistant CFO

Accounts Payable Section is allowed four (4) working days to complete the processing of the invoice and requested required payments net of the discount amount from the time the discount offer was received from the Vendor. This is contingent on the completeness of required documentation inclusive of the approval for payment by the end user and any applicable inspection reports.

All discounts availed shall be deducted from the Vendor's invoices and check amount. For accounting purposes, all discounts are tracked and recorded by crediting General Ledger Account No. 42500.930000.100 – Discounts on A/P payments.