



DOCUMENTS REQUIRED FOR PAYMENTS BY NAADS

**A presentation made to new suppliers with framework contracts
at suppliers' meeting held at Imperial Royale Hotel**

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Presentation outline(60 minutes)

- Principles under which presentation has been made
- Listing of documents required to support suppliers payment
- Brief highlights of key documents
- Kit -Note
- Quiz
- Q&A session



Principles

- Internal Audit perspective
- Study systems and processes
- 1) Imagine what could go wrong
- 2) Detect what has gone wrong
- 3) Report what has gone wrong

List of documents required for payments

1. Request for payment
2. CAO's letter confirming deliveries
3. Copy of Call off
4. Invoice
5. Delivery Note(DN)
6. Good received note(GRN)
7. Subject matter specialist(SMS) report
8. Beneficiary lists(B/L)
9. Copy of a Contract

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Interests for target Audience



What is a Request for payment

- It is a demand note
- It signed by authorized signature(for a Co. ...one with powers of attorney)
- Dated on same day or after the invoice date
- Addressed to the Executive Director NAADS-
 - Po Box 25235 Kampala
- Must state amount being invoiced
- State partial or full payment on call off order.

CAO's confirmation letter

- A letter signed by CAO or person acting for CAO
- Addressed to ED NAADS confirming the right goods were delivered
- Recommends that a supplier be paid
- A supplier can not be paid without this letter

Invoice

- Different types of invoices exist in trade.
- In NAADS we require a type of invoice that is used to demand for payment for goods and services whose invoicing is Just in time proceeding delivery of service/goods.
- We don't entertain over due invoices. We accept JIT invoicing.
- We don't entertain pro forma invoices or altered pro forma invoices to demand for payments

Key info. Expected on an Invoice

- Date of the invoice
- Addressed to ED-NAADS Secretariat
- Your business's information: name, address, email address, and phone number, TIN Number
- Items purchased: Create an itemized list of each product and service you provided. Next to each item, write the individual cost.
- Total amount due: State the total payment amount you expect to receive from the NAADS
- Payment terms: accounts are due on demand or pay me.....(eg next year)
- Invoice number:
- WHT tax status: if Exempt, stamp and attach list of exemption from URA

Delivery Note(DN)

- A delivery note is a document sent with a shipment of goods
- It describes the goods and the quantities being delivered.
- A delivery note lists the products that are contained within the package and may include details of the vessel being used to deliver.
- Delivery note more often than not does not include the prices of the goods being delivered.
- DN is addressed to receipt (in this Case XYZ District Local Government)
- Its dated and serially numbered
- Authored by the supplier
- Should be stamped by stores of receiving Entity.

Good received note(GRN)

- Document mirrors a Delivery note
- Effectively transfers ownership from supplier to receiver
- Issued by receiving entity
- Signed and stamped by IA and stores
- Describes items received
- Quantifies items received

Subject matter specialist(SMS) report

- It is a report by a specialist.
- It confirms the extent to which delivered items have met the required standards/specifications as per call off or contract
- We don't pay for goods that don't meet specifications(delivery of wrong goods)
- SMS report is addressed to CAO not NAADS
- If dated after GRN date, it must quote the date of delivery which shall tally with date on GRN.

Beneficiary lists (B/L)

- **Also known as distribution list**
- **Document listing particulars of people/farmers who received the goods(ultimate end user)**
- **Ensure particulars are all filled out**
- **Is signed by farmers, OWC Co-ordinator, SMS specialist/Parish chief and Sub County Chief.**
- **This is the most delicate document as it acts a control tool for deliveries made. Its prone to manipulation as actors aim at 'balancing' the numbers**
- **It is responsible for approx.60% of the delays in processing payments**

What are the common issues with B/L?

- 10minutes
- ??????

Key issues to Note(kit-Note)

- **Know your contract manager**
- **Know your contact person at point of delivery**
- **Uphold customer care principles eg don't dump materials**
- **Contracts are issued by NAADS SEC but honored by Districts**
- **Delivery of goods is not complete unless received by recipient**
- **Inconsistence in dates on documents lead to document being suspect**
- **White wash is forbidden**
- **Alterations must be neatly crossed out and counter signed by the author**
- **Risk and ownership of goods lies with supplier until a goods received note is in the possession of the supplier**

Key issues to note(Kit note...cont'd)

- Accuracy and completeness of documents submitted by supplier is her or his responsibility Documents for payment are submitted to NAADS at the reception
- Make a copy of every document submitted
- Obtain a stamp from NAADS acknowledging receipt of both the demand letter and invoice.
- We demand explanation for partial deliveries made
- Don't deliver goods on the basis of an expired call off order(even 1 day)
- For order of assembling documents for payment (see slide 3)
- In event of lost documents, we will require certified copies of documents reportedly lost. Certification is by respective authors.
- If a document has normal progression, it will take 30 days to be paid
- NAADS has 100% record of settling legitimate claims from suppliers

Quiz.Quiz.Quiz!

- ▶ If Government's Financial Year(FY) ends on 30 June 2019,
 - a) what is the earliest date that NAADS Should receive suppliers' documents for a payment to be effected before the end of FY?
 - b) what is the latest date that NAADS Should receive suppliers' documents for a payment to be effected before the end of FY?
 - c) What would happen to my payment, if the FY closes yet I delivered the supplies to DLG and also delivered my documents to NAADS but was not paid?
 - d) What would happen to my payment, if the FY closes before I deliver the supplies to DLG but do so in the next FY?

THANK YOU FOR LISTENING

➤ Q & A?

