



**POLICY & PROCEDURE**

POLICY NO	P&P/AG/038/10	DEPARTMENT	Accounting
DATE OF ISSUE	1 November 2010	DIVISION	Purchasing
LAST UPDATE	1 November 2010	APPROVED BY	General Manager
SUBJECT	Purchasing System		

**PURPOSE**

To have standard procedures in purchasing goods and services.

**POLICY**

All purchases are based on Purchase Order and Market List, in addition urgent purchase can only be done with prior approval from General Manager. Capital Expenditure purchase must be approved in advance by Director.

As much as possible we will give priority to locally produced goods and local service providers while maintaining our set quality.

**PROCEDURE**

Purchases are grouped into 4 sections.

- a. Purchase of inventory or non inventory items
- b. Direct Purchase
- c. Special Purchase
- d. Hotel Capital Expenditure

**PURCHASE FOR INVENTORY ITEM OR NON INVENTORY ITEM.**

Supporting documents:



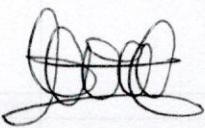
- a. Purchase Requisition.  
Purchase Requisition must be submitted by the Storekeeper to the Purchasing not later than 12 o'clock on Monday - Friday and not later than 11 o'clock for Saturday.
- b. Purchase Order.

**DIRECT PURCHASE**

supporting documents:

- a. Market List
- b. Market List must be submitted by the Kitchen Section to the Purchasing not later than 12 o'clock for Monday through Friday and no later than 11 o'clock for Saturday.

**APPROVED BY**

Department Head	Financial Controller	General Manager
 Date	 Date	 Date





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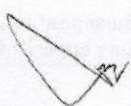
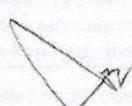
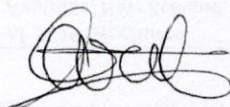
**SPECIAL PURCHASE**

Special purchases are purchases for item with special specifications or in urgent circumstances, can only be done by the General Manager or department head based on the instructions of General Manager.

- a. Department Heads submit a special purchase to GM by attaching a cash advance form in two copies for approval.
- b. The Purchase proposal and Cash Advance that had already been approved, to be submitted to Purchasing for acknowledgement. Purchasing to take yellow copy and give white copy to take money at the General Cashier. Direct reimbursement to the General Cashier is not allowed.
- c. Normal Procedures must be implemented immediately after the purchase of a special purchase is done and handled by Purchasing.
- d. In the system all purchases are treated as purchases by credits.
- e. Purchase of Rp. 150,000 or above, must be followed by PR / PO as normal Procedures directly processed by purchasing at least one day after the transaction based on the facture / that has been filled explanation and signed by General Manager and Receiving.
- f. Receiving records should only be done when a Purchase Order has been issued.
- g. Purchases under Rp.150.000 inputted by receiving as a direct purchase (without PO with inventory code MOT / FOT / BOT).
- h. Original Facture of the purchase had already received as per receiving procedure submit to Purchasing to be made "Bukti Pengeluaran Kas" and implement payment procedure.
- i. Accounts Payable process the payment as per payment procedure.

**HOTEL CAPITAL EXPENDITURE**

- a. Department Head to propose Asset Purchase to the General Manager completed with cover note explaining why these purchases are needed. Records of the old asset to be completed as per the form.
- b. All asset purchases should be prepared by Financial Controller under Capital Expenditure completed with the purchase purpose.
- c. The Capital expenditure must obtain approval from General Manager and Director prior to purchase.

APPROVED BY		
Department Head	Financial Controller	General Manager
 Date	 Date	 Date