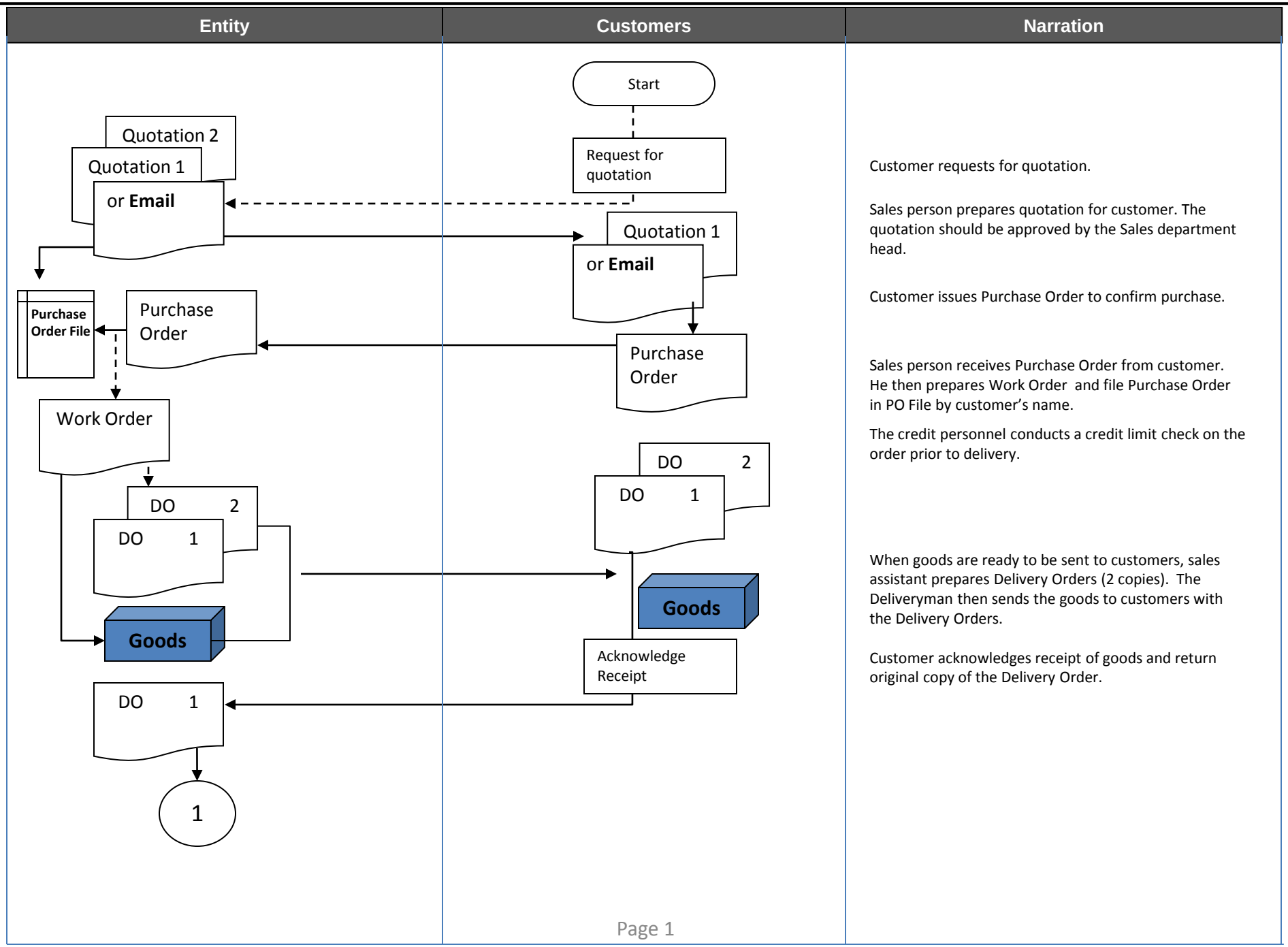
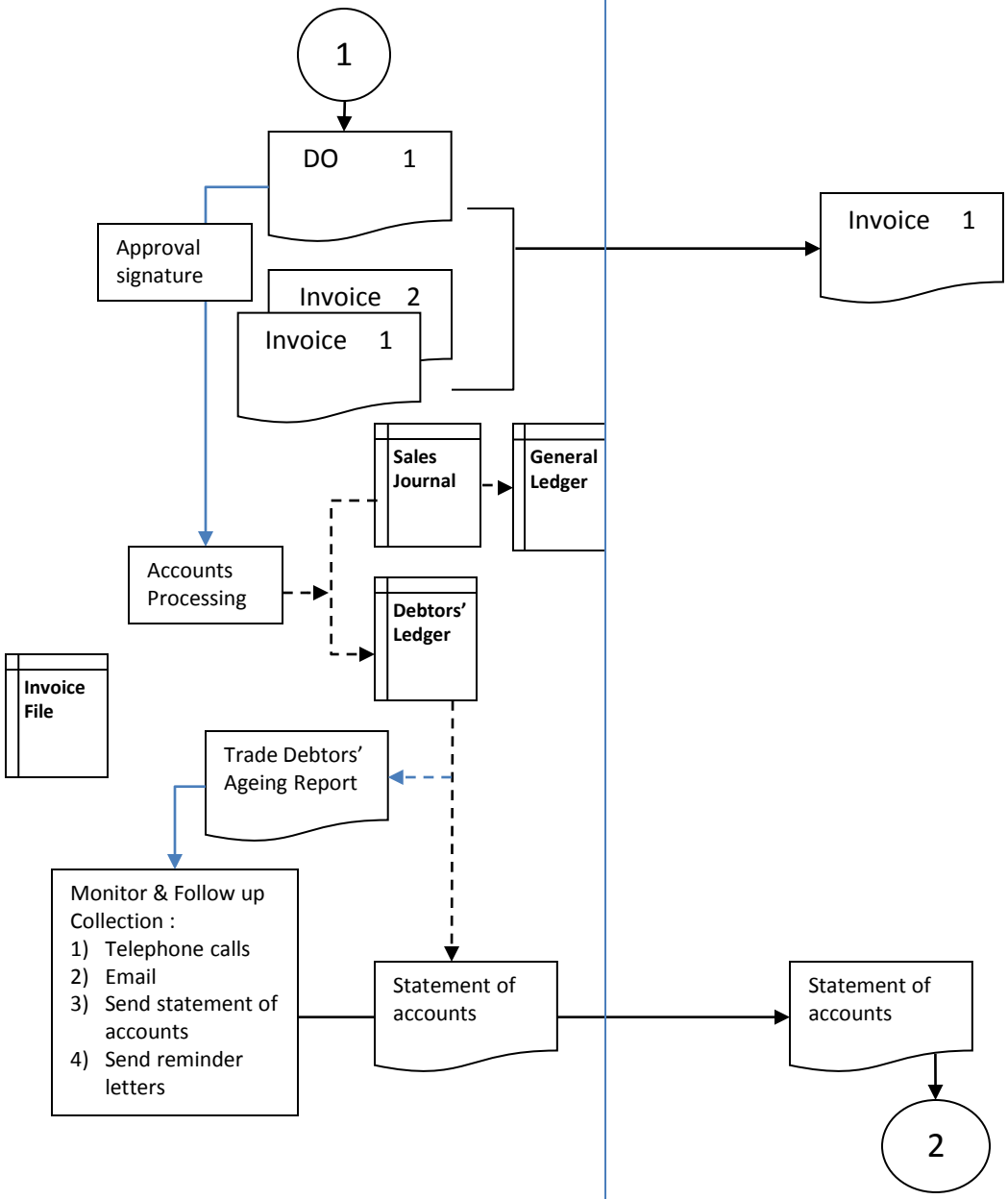
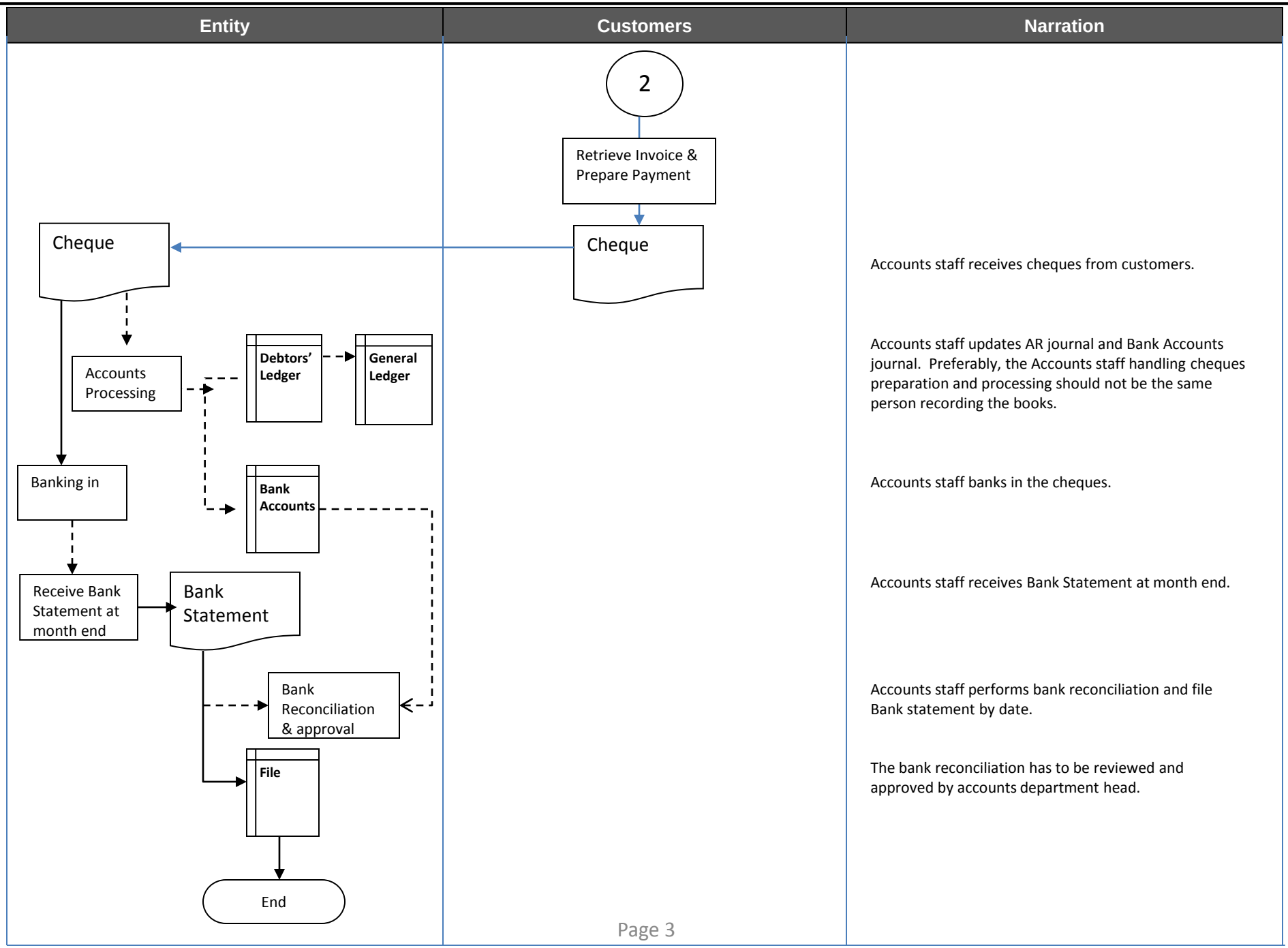

Entity
Customers
Narration
Start
Request for quotation
Customer requests for quotation.
Quotation 2
Quotation 1
or Email
Sales person prepares quotation for customer. The quotation should be approved by the Sales department head.
Quotation 1
or Email
Customer issues Purchase Order to confirm purchase.
Purchase Order File
Purchase Order
Purchase Order
Sales person receives Purchase Order from customer. He then prepares Work Order and file Purchase Order in PO File by customer's name.
Work Order
The credit personnel conducts a credit limit check on the order prior to delivery.
DO 2
DO 1
DO 2
DO 1
When goods are ready to be sent to customers, sales assistant prepares Delivery Orders (2 copies). The Deliveryman then sends the goods to customers with the Delivery Orders.
Goods
Goods
Acknowledge Receipt
Customer acknowledges receipt of goods and return original copy of the Delivery Order.
DO 1
1

Entity	Customers	Narration
		Sales assistant prepares invoice (in duplicate). Sale invoice is in running number. Invoice is to be approved by the Sales department head. Sales assistant then sends the original invoice to customer and route the duplicate copy to accounts department for processing. Accounts staff checks that all Invoices are matched with duly acknowledged delivery orders . She then updates the sales journal and accounts receivable journal and file invoices in running number. Accounts staff prints Trade Debtors Ageing Report at month end for management's review. Accounts staff shall monitor and follow up on collection in consultation with Sales staff, via telephone calls, emails, monthly Statement of Accounts and/or reminder letters to customers .


Entity
Customers
Narration
2
Retrieve Invoice & Prepare Payment
Cheque
Cheque
Accounts staff receives cheques from customers.
Accounts Processing
Debtors' Ledger
General Ledger
Accounts staff updates AR journal and Bank Accounts journal. Preferably, the Accounts staff handling cheques preparation and processing should not be the same person recording the books.
Banking in
Bank Accounts
Accounts staff banks in the cheques.
Receive Bank Statement at month end
Bank Statement
Accounts staff receives Bank Statement at month end.
Bank Reconciliation & approval
Accounts staff performs bank reconciliation and file Bank statement by date.
File
The bank reconciliation has to be reviewed and approved by accounts department head.
End