



Document Name:	SOP for Disbursement
Document Number:	DUHS / FD / SOP / 02

DOW UNIVESRTY OF HEALTH SCIENCES (DUHS)



STANDARD OPERATING PROCEDURE

DISBURSEMENT

(CLAUSE 7.5.1 OF ISO 9001:2008)

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Finance Directorate
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- Head of Support Departments
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TERMS AND DEFINITIONS

TERMS	DEFINITION
Streamline	To make the disbursement system simpler and more efficient
Efficient	Capable of producing desired results without wasting materials, time, or energy.
Verification	The act or process of confirming or checking the accuracy
Disbursement	The act of paying out money especially from a fund.
Review	Activity undertaken to determine the suitability, adequacy and effectiveness of the subject matter to achieve established objectives
Procurement	This process will help to DUHS to purchase goods and services from external resources
Competent Authority	As defined in act of DUHS.
Extraordinary	Payments related to Utilities bills, salaries or any payment identified by the competent authority.
Chronological order	Arranged in the order of occurrence
Beneficiary	A person / Vendors / Contractors, who provide services / supply of goods
Vendor	Anyone who provides goods or services to a company or individuals.
Stock Register	To record Fixed Assets items in Stock Register
Inventory Register	To record items other than Fixed Assets in Inventory Register

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LIST OF ABBREVIATIONS

HoD	Head of Department
DUHS	Dow University of Health Sciences
ISO	International Organization for Standardization
SOP	Standard Operating Procedure
FD	Finance Directorate
P&D	Planning and Development
QMR	Quality Management Representative
QMS	Quality Management System

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1. PURPOSE:

- To ensure that funds are disbursed in a timely manner fulfilling all codal formalities, with proper authorization and supported documentation.
- To streamline the process of Disbursements.

2. SCOPE:

- This procedure is applicable to supporting services provided by the Disbursement Department, under the supervision of the Finance Directorate. Complete disbursement system shall be looked after by the disbursement section, Finance Directorate, DUHS. It helps to improve services effectively and efficiently.

3. RESPONSIBILITIES:

The following will be the Responsibilities of Officers with regards to the Disbursement System:

3.1 DIRECTOR FINANCE

- Is responsible to supervise the disbursement system of DUHS.
- Is responsible to govern and set the strategy and vision of the disbursement section.
- Is responsible to make funds arrangement and look after the disbursement process.
- Is responsible for resolving and handling disbursement matters, vendor queries and grievances.

3.2 ADDITIONAL DIRECTOR FINANCE

- Is responsible to check and verify the complete process of disbursement
- Is responsible to supervise the disbursement system of DUHS.

3.3 INCHARGE DISBURSEMENT AND ITS TEAM

- Is responsible to timely process of payments of pre audited bills / claims.
- Is responsible to properly create vouchers, writing cheques / bank transfer sheets and ensure recording with appropriate and correct codes.
- Is responsible to maintain records of disbursements.

3.4 INCHARGE AUDIT

- Is responsible to check and verify the bills / claims related approvals, documentation, Income Tax, Sales Tax and other procedural and codal formalities.

3.5 CONCERNED DEPARTMENT (PROCUREMENT, P&D, HOD / INSTITUTE OF DHUS)

- Is responsible to timely submit verified bills of contractors and vendors with supporting documents to Audit Section for Pre Audit
- Is responsible to fulfill all codal formalities
- Is responsible to record fixed assets items in stock register and other than fixed assets items

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in inventory register

3.6 CONTRACTOR / VENDORS

- Is responsible to submit bills to initiated concerned department of DUHS
- Is responsible to provide complete bank account number, NTN and sales tax number.

4. PROCEDURE:

All the Heads of Department must follow the new procedure before submission of bills to Audit Section Finance Directorate DMC or Audit Section Finance Camp Office OJHA.

The process of payments to Vendors / Contractors and employees (Salaries, over-time, end service benefit payments and utilities bills etc.) will be as follows:

4.1 PRE AUDIT

- 4.1.1 The Audit section (Finance Directorate DMC & Finance Camp Office OJHA) shall receive the bills of Vendors/ Contractors for goods and services from Procurement and P&D offices and other payments / claims of Employees bills for supplies & services from all departments / Institutes of DUHS.
- 4.1.2 Audit section shall normally have Three (03) working days for checking and verification the bills / claims related approvals, documentation, procedural and other codal formalities.
- 4.1.3 Within specified time period the audit section shall either:
- Clear the bill / claim and forward it to the Disbursement Section for further processing; or
 - In case of any observations or queries, shall return the bill / claim to the concerned department, for rectification and fulfilling requirements. Audit section's time line starts again upon receiving bill, complete in all aspects and requirements.
- 4.1.4 Audit section will not directly contact or deal with Vendors / Contractors for any correction or request to provide any missing documentation, pertaining to the payments in process. All such queries shall be routed through concerned departments, who have initiated the payment / claim.
- 4.1.5 Any extraordinary or material observation shall be brought into the notice of **Director Finance**.

4.2 DISBURSEMENT SECTION

- 4.2.1 Disbursement Section, upon receiving pre audited bills / claims shall process the payment as per their lead-time, which shall be minimum Two (02) working days
- 4.2.2 Disbursement Section shall be responsible for properly creating vouchers, writing cheques / Bank Transfer Sheets for direct disbursement to payee's account and ensuring proper recording with correct code.
- 4.2.3 Upon completion of all procedural requirements the voucher and cheque / Bank Transfer Sheet shall be prepared.

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4.3 PASS ORDERS

- 4.3.1 After preparation of cheques, payment vouchers and Bank Transfer Sheet shall be forwarded to **Director Finance through Additional Director Finance** for Final Review or necessary pass orders, if payment is above Rs. 100,000/=.
- 4.3.2 There will be a minimum time of Three (03) working days, before it is moved for cheque / Bank Transfer Sheet signing process.

4.4 PROTOCOL FOR URGENT AND PRIORITY PAYMENTS

- 4.4.1 All payments related to utilities – Electric, Internet, Gas and Telephones and salaries shall be dealt with and disbursed on priority basis.
- 4.4.2 All payments identified "Urgent" by Competent Authority shall be treated as Urgent and processed on priority basis.
- 4.4.3 Any payments marked urgent by any departmental / Institutional Head as "Urgent" shall be brought into the notice of Director Finance, which shall be decided by him, accordingly.
- 4.4.4 Other than above identified conditions, no disbursements shall be classified or treated as "urgent" or on priority basis.

4.5 CHEQUES / BALANCE TRANSFER SHEET SIGNING

- 4.5.1 Once Payment is passed by Director Finance, the payment shall be moved to second signatory, as authorized by the Competent Authority.

4.6 CHEQUE ISSUANCE AND RECORD KEEPING

- 4.6.1 After signing the cheques / vouchers by the authorities, the photocopy of the voucher and original cheque shall be handed over to the concerned department, for issuing the same to the concerned beneficiary.
- 4.6.2 **Concerned department** shall be responsible to maintain the record of cheques issued in an appropriate manner, and made available, as and when required.
- 4.6.3 The original Voucher and copy of Cheque / Bank Transfer Sheet shall be in custody of **Finance Directorate**, which shall be responsible for regular binding of vouchers in chronological order for recording purpose.
- 4.6.4 **Finance Directorate** shall also ensure that the record is in safe custody, stored properly and provided on timely manner, as and when required by Director Finance.

4.7 DIRECT DISBURSEMENT

- 4.7.1 The Institution will disburse all payments through directly into Vendors / Beneficiary accounts.
- 4.7.2 Finance Directorate shall collect necessary information on Vendors Data Form, along with copy of cancelled cheque.
- 4.7.3 The proper record shall be maintained by Finance Directorate in this regard.

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- 4.7.4 Vendors and Contractors are discouraged to directly approach or visit to finance office regarding their payments. They should contact to concerned dealing officials (P&D, procurement, Departments / Institute of DUHS) regarding their payment.
- 4.7.5 After all codal formalities are completed for bills received in finance department, the Finance department will then make payment within seven (07) working days.
- 4.7.6 All complaints and requests of employees, regarding their disbursements, are to be referred through email or in letter, addressed to Director Finance, Dow University of Health Sciences.

4.5 Related Documents

- 4.5.1 Vendors Data Form

4.6 Related Records

- 4.6.1 International Accounting Standards
- 4.6.2 International Financial Reporting Standards

VENDOR/CONTARCTOR DATA FORM

Vendor/Contractor Name:	
Address:	
Sales Tax No.:	
N.T.N:	
Bank Name:	
Branch Name:	
Branch Code:	
Bank Account No.:	
CNIC No.:	
Office No.:	
Mobile No.:	
Fax No.:	
Email ID:	
Signature With Official Stamp:	
Contact / Focal Person Name	
Contact / Focal Person Mobile No.:	