

PAYMENT VOUCHERS AND VALUATION CERTIFICATE

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ABSTRACT

This paper covers payment vouchers and the valuation certificate, meaning and types of payment vouchers as well as contents of a standard payment vouchers have been highlighted. Mentioned was also made of modern aspect of the payment vouchers and its purpose. Also, what valuation certificate is and its uses were explained in this paper, conclusion was also been made, attention was drawn to the importance of payment vouchers as demanded and necessitated by the challenges of the modern technology of record keeping in accounting principles, the objective of this paper is to highlight the importance of record keeping in accounting principles and also to prove that accounting is the subject of recording, analyzing and interpretation.

Keyword: Payment, Voucher, Valuation, Certificate, technology

INTRODUCTION

Payment Vouchers (PV) is a formal and official documents used in documentation of all payment made by an entity, be it public or private. Payment vouchers have dated for a long period of time being the only main documents used for the purpose, even though its contents and format keep on changing from one period to another. There are basically two types of payments and two types of payment vouchers.

TYPES OF PAYMENT

Firstly, it refers to the Payment out of an entity's funds which could always be either by cash or issuance of cheques. Secondly, it refers to the cash payments which involve setting claims by using the office cash normally kept in the till or safe. Payments of this type are mostly for petty transactions which may not be substantial, economical or faster to be done through the bank. For example, payment of local transport or advance to a staff that may not be made through the bank because of the fact that doing so would delay the main purpose of the transaction (e.g. delivering a message quickly) and also may include the cost of going to the bank (uneconomical).

Types of Payment Vouchers

Payment vouchers are generally of two types, they consist of: Main payment voucher and the petty cash voucher. The main payment voucher is used to process payments for major transactions of the entity such as purchases, salary payments, payment of taxes, etc. this is the principal document that captures all details about any given transaction and it normally passes

through a number of administrative channels, from preparation to final approval, before funds are released.

Petty cash voucher: on the other hand, this refers to the payment voucher used to record transaction details out of the office imprest. Petty cash vouchers are normally kept and filled by the petty cashier and its data entry is very simple with virtually no provision for reviewing and offering the final approval, once the final approval is sought.

CONTENTS OF A STANDARD PAYMENT VOUCHERS

A standard payment voucher should be comprehensive and adequately filled. The following are the recommended qualities of a standard payment voucher:

- a. Label: An entity's full name and an address are expected to be labeled at the top part of the payment voucher.
- b. Payee's Name: A space should be provided where the payee could write his/her name.
- c. Date: The date in which the payment voucher is prepared could be quite different from the actual date of the payment.
- d. Department/Unit: The name of the department or unit from where the spending claim comes that should be written in space provided. This is to allow for easy analysis of cost by cost center's
- e. Description: An adequate provision should be made for description of the expenditure to be incurred.
- f. Amount: This should be a space for writing the monetary aspect of the PV in figures and in words
- g. Analysis of Space: A space should be allowed for conducting further analysis on payments on the PV, such as deductions and adjustments.
- h. Total: Adequate provision should be made for bringing down the total claim or the net amount to be payable.
- i. Preparer: There should be a space for the preparer of the PV to inscribe his name, signature and date of preparing the voucher.
- j. Checker: There should be a space for the checker of the PV to inscribe his name, signature and date of checking the voucher.
- k. Approval: There should be a space for the approver of the PV to inscribe his name, official designation, signature and date of the voucher.
- l. Payee Collection: there should be a space for the payee to append his name, signature and date, and commit himself in written that the collection of the stated sums is made by him
- m. Cheque Number: A space will be provided for the numbers of cheque raised on each payment. Even where a single cheque used to settle more than one PV. The cheque number should accompany each of the PV
- n. Account Code: There should be a space for posting the PV into appropriate account subhead for easier posting into the cash book.



- o. Approval sheet: Each payment voucher should have been accompanied by a copy of the management approval sheet which the responsible authority certifies the payment prior to preparation of the PV.
- p. Supporting documents. Other relevant supporting documents should accompany the PV as an attachment before and after it has been paid. This may include receipts, shipping documents, copies of bonds etc.

THE MODERN ASPECTS OF PAYMENT VOUCHER

In this informational age, payment vouchers are prepared and processed electronically with paper documentation.

PAYMENT FOR GOODS AND SERVICES RECEIVED THROUGH THE PURCHASE ORDER

PROCESS: Voucher has been typed and prepared in electronic payment as documents for material ordered through the purchase order system so as to deliver it to the central receiving office.

PAYMENT FOR GOODS AND SERVICES OUTSIDE THE PURCHASES ORDER

PROCESS: The auditors are said to review the payment documents being prepared by the departmental financial instructions, regulations, or memory in which the auditors has to be satisfied that all the related transactions.

THE PAYMENT VOUCHERS ARE MAINLY USED FOR THE FOLLOWING PURPOSE:

- Payment that require documentation, purpose or reason as required under the relevant laws and policies regarding financial matters.
- Reimbursements to individuals for the official expense incurred on behalf of the organization.
- Travel for reimbursements of official assignment
- Reimbursements to petty cash custodians
- Other payments defined in public procurement act or any status as required by financial instructions.

Accounts payable can only pay the amount entered on a voucher, so freight charges, if any, must be included in the amount of a payment voucher.



BEFORE SUBMITTING THE PV, THE FOLLOWING STAGES ARE REQUIRED

- Confirm the payee's name and details
- Complete the required supporting documentation, and necessary signatures are appended, documentation can be saved as a file of the related payment vouchers.
- Remember that in the computerized system, a separate voucher will be required for each payment supplier or individual beneficiary.

VALUATION FOR ACCOUNTING PURPOSES

The Valuation

This is the purpose of assigning value to the property that has been acquired in the past where a construction of work has been done that warrant the valuation for the purpose of setting the contractor's payment of the services which has been completed.

THE VALUATION CERTIFICATION

A valuation certificate will be issued by indicating the valuer's opinion for the value of the specified properties or services, and also stating what has been done and what has not been done. The basis of valuation on assumption which have been made on accuracy of any other significant matters should be received. The certificate must contain all qualifications and it must be in a specified form to agree with supervising officer's report which may be made available for final scrutiny.

The valuation certificate will set out the total value of the property or services portfolio at the date signed and supplied or at the inspected date of the supplied items. The valuation certificate must stated that, it has been prepared in accordance with the enforcing statements of asset valuation practice, and the institute of valuers and estate management.

If the valuer considers that circumstances render it in appropriation of the valuation to be made wholly in accordance with the standard of clear statement to this effect, that must be given in the valuation certificate together with the reasons for such departure and the extent of the departure, which the valuer must be able to justify.

The valuer needs to produce a certificate of impairment of each year detailing the evidence of impairment founded during the year. The valuer needs to produce a certificate to the effect that there has not been any significant change in the market value that required or not revaluation of all land and buildings.

- All payments to be made must be accompanied with payment voucher which contains full supporting documents.
- All payment vouchers should be duly verified by the auditor so as to prove a true and fair view of the payment.
- The accounting officers should observed the system of due process in their financial transactions.



- Before issuing of valuation certificate, all related services or supplies should be duly concerted.

CONCLUSION

Our previous discussion reveals that use of the payment vouchers in any system is inevitable going by its essence in recording significant transactions, information or entities, but still, there is the need to advance the use of PVs by way of taking advantage of the information technology, and challenges of modern payment of fund. Certification are always important in accounting and reliable standards that should be imposed not only by engineers and property and but also in accounting profession as the prime user of the valuator so as to ascertain that the payment made is in true and fair view of the stated directives of issuing valuation certificate

RECOMMENDATIONS

- It is duly recommended that all finance sections who is entirely involved in the process of receipt and payment, they should prepare a comprehensive payment vouchers with full requirements of the payment.
- The system of check and balance should be strongly adhered before and after each payments.
- Expenditure register should be prepared in both soft and hard copy.
- All purchases and supplies order should be duly signed by the accounting officer.
- Jobbing orders should be valued on actual cost plus contingency, VAT and delivery cost.

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