



<b>COMPANY:</b> BIGFOOT ENTERTAINMENT and Affiliates		<b>POLICIES AND PROCEDURES:</b>  PURCHASING	
Department: FINANCE	Effectivity Date: November 7, 2005	Date Issued: November 7, 2005	Date Revised:

### 1. **OBJECTIVES**

Ensuring that:

- 1.1 A standard and efficient system of procuring assets, supplies and services is implemented.
- 1.2 Best prices and terms are availed of.
- 1.3 "NO kickback" policy is implemented.

### 2. **POLICY STATEMENTS**

- 2.1 The approved Purchase Requisition Slip (PRS) shall be the basis of the purchase of the asset, supplies or services.
- 2.2 The Buyer should canvass from at least 3 suppliers to get the best prices and terms.
- 2.3 Technical requisitions should have the canvasses from Manila, Hong Kong, Singapore and USA. Duties and taxes, when applicable, should be imputed in the cost when comparing prices.
- 2.4 An approved Purchase Order (PO) shall be issued to the supplier selected.
- 2.5 Credit card purchases should also be covered by an approved PO.
- 2.6 Soliciting favors of any kind from the supplier is strictly prohibited.

### 3. **APPROVAL MATRIX**

DESCRIPTION	INITIATE	RECOMMEND	APPROVE
PURCHASE REQUISITION SLIP			
a. Office Supplies	Employee	Department Head	COO
b. Production Supplies	Employee	Department Head	COO
c. Computer hardware and software	Employee/ Department Head	VP-Technical/CFO	COO
d. Office equipment, furniture and fixture	Employee/ Department Head	VP-Technical/CFO	COO
PURCHASE ORDER	Buyer	Purchasing Manager	CFO

<b>Prepared by:</b>  <b>LORAIN A. GARCIA</b> Chief Financial Officer	<b>Approved by:</b>  <b>MATT LUBETICH</b> Chief Operating Officer
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#### 4. **FORMS**

<b>FORM</b>	<b>DESCRIPTION</b>	<b>DISTRIBUTION</b>
A. PURCHASE REQUISITION SLIP	Indicates the details of the requirement: <ul style="list-style-type: none"> <li>• Exact specification</li> <li>• Purpose</li> <li>• Date needed</li> </ul>	Original-Purchasing Duplicate- Requisitioner
B. CANVASS SHEET	Indicates at least 3 suppliers to show the ff: <ul style="list-style-type: none"> <li>• Name of Supplier</li> <li>• Contact number/s</li> <li>• Price quoted</li> <li>• Availability of the product</li> <li>• Other terms and conditions</li> </ul>	Original-Purchasing
C. PURCHASE ORDER	Addressed to the selected supplier with the ff. data: <ul style="list-style-type: none"> <li>• Name of Supplier</li> <li>• Amount</li> <li>• Other terms and conditions</li> </ul>	Original-Supplier Duplicate-Purchasing Triplicate-Fixed Asset Accountant Quadruplicate-Accounting (basis of payment)

#### 5. **PROCEDURES**

<b>Responsibility</b>	<b>Step</b>	<b>Activity</b>
Requisitioner	1	Prepares a PRS indicating the complete item description, specifications and the estimated cost, if possible.
	2	Submits to Purchasing the approved PRS.
Buyer	3	Canvasses the asset in the approved PRS.

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Responsibility	Step	Activity
Buyer	4	Gets quotations from at least 3 suppliers and compares the rates. If the asset requested is technical/production in nature, gets rates from Manila, Cebu, Hong Kong, Singapore and the US.
	5	Lists all data in the canvass sheet to include the following: <ul style="list-style-type: none"> <li>• Reference PRS Number</li> <li>• Name of Supplier</li> <li>• Quoted Amount (Tax included)</li> <li>• Terms of payment</li> <li>• Availability of the product</li> <li>• Other features/benefits</li> </ul>
	6	Submits canvass sheet to the Purchasing Manager.
Purchasing Manager	7	Validates prices and seeks for additional discount, when applicable.
	8	Recommends the supplier to get.
	9	Returns the Canvass sheet to the Buyer.
Buyer	10	Prepares the Purchase Order based on the chosen supplier in the Canvass Sheet.
CFO/COO	11	Approves the Purchase Order.

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