

Policy Code # A-FN-105-001/AG-001

Chapter 43: Convenience Operations

Date of Issue:

Revision date: June 6, 2012



INTRODUCTION

1. This chapter outlines the controls and procedures that are unique to the CANEX Convenience operations.

TYPE OF OUTLETS

2. Outlets comprising this category shall be designated as:
 - a. **Grocery Store.** This is an outlet offering for resale a complete range of groceries, fresh meats, produce, and services as normally found in large grocery stores;
 - b. **SuperMart.** This is an outlet offering for resale the same range of goods and services as Grocery Stores along with many items sold in Retail Stores such as electronics, clothing, and various other items; and
 - c. **ExpressMart.** This is an outlet established as a main or secondary grocery outlet normally excluding fresh meat, and produce but offering a convenient and rapid service during extended operating hours.

Note: Gasoline can be sold by either SuperMarts or ExpressMarts. Detailed gasoline operation information is contained at [Annex A](#).

DEPARTMENTALIZATION

3. CANEX retail operations shall be departmentalized in accordance with Chapter 41 (CANEX and other Retail Outlet Department Structure).

INVENTORY ACCOUNTABILITY

4. The Convenience outlet inventory shall be maintained and controlled as follows:
 - a. Grocery Stores, SuperMarts and ExpressMarts shall use the Cost Accounting and Perpetual Inventory (CAPI) Method as outlined in Chapter 25 (Inventory Valuation);
 - b. Gasoline accountability are as detailed in [Annex A](#); and
 - c. Propane uses the cost accountability (current cost) method as outlined in Chapter 25 (Inventory Valuation).

PURCHASES

5. Purchases shall be made in the manner outlined in Chapter 21 (Purchases).
6. The National Accounts Payable Office (NAPO) reconciles individual invoices to the supplier's weekly or monthly statements and advise the local NPP Accounting Manager (NPPAM), the outlet manager and the supplier of any discrepancies. The statements are to be annotated as verified and maintained on file until year-end audit has been completed.
7. When authorized by CANEX HQ and CFO, some convenience stores may treat weekly supplier statements as invoices.

TRANSFERS

8. Transfers shall be made in the manner outlined in Chapter 22 (Transfers).

SALES

9. The accounting for sales and the submission of Daily Sales Reports (DSRs) to the NPPAM are as outlined in Chapter 18 (Cash and Other Receipts) and Chapter 54 (Lottery Tickets).
10. All credit sales shall be processed as outlined in Chapter 52 (Credit Sales)

REPORTS AND RETURNS

11. The following schedule of reports and returns represents the minimum acceptable frequency of reporting. All month-end paperwork must be submitted to NPPAM within two working days following the month-end date. Where volume of transactions is such that more frequent reporting is necessary, a revised schedule, acceptable to CANEX Management and the NPPAM may be introduced:
 - a. **Daily Sales Reports.** These are completed and forwarded to the NPPAM daily as per Chapters 6 (Control of Accountable Documents) and 18 (Cash and Other Receipts);
 - b. **Invoices.** Suppliers' invoices (with PO and SMS receiving reports attached) and credit notes are forwarded to the NPPAM and are submitted minimum weekly to the NPPAM as per Chapters 6 (Control of Accountable Documents) and 21 (Purchases);
 - c. **Transfers.** Merchandise Requisitions (CF 603) are completed at cost, when issued or received and submitted to the NPPAM as per Chapters 6 (Control of Accountable Documents) and 22 (Transfers).
 - d. **Purchases not invoiced.** As detailed in Chapter 7 of the CANEX CAPI Reference Manual, the PNI form must be submitted to the NPPAM at month-end to inform accounting of any Purchases Not Invoiced and/or Credits Not Received;
 - e. **Inventory Value Report (IVR)** As detailed in Chapter 4 of the CANEX CAPI Reference manual, the IVR must be run at month-end either after the store closes on the last business day of the month OR prior to opening the next business day (the first day of the next month) and submitted to the NPPAM; and
 - f. **Inventory Movement Report (IMR):** If it was not possible to print the IVR report after closing on the last business day of the month, the IMR must be submitted to the NPPAM instead.

STOCKTAKING

12. Stocktakings shall be carried out in accordance with the general stocktaking procedures in Chapter 26 (Stocktaking) along with the detailed stocktaking procedures outlined in the CANEX Policy and Procedures Manual – Section 3 – Operations 430 and the CANEX stocktaking SOP.
13. The results of supervised stocktakings (grocery, meat, and produce) shall be actioned in the month in which taken and the year-to-date gross profits shall be adjusted to actual.

[Annex A - Gasoline Operations](#)