

SOP: Initial Vendor Onboarding and Documentation Procedures

This SOP details the **initial vendor onboarding and documentation procedures**, covering vendor evaluation, compliance verification, contract review, document collection, system registration, and communication protocols. The objective is to ensure a streamlined and compliant onboarding process, facilitating clear vendor relationships and maintaining accurate records for future transactions.

1. Scope

This SOP applies to all new vendors requiring onboarding into the company's procurement and operational systems.

2. Responsibilities

Role	Responsibility
Procurement Manager	Oversees the entire onboarding process
Compliance Officer	Validates legal, regulatory, and ethical compliance
Accounts/Finance	Processes payment setup and financial documentation
Vendor	Submits required documentation and information

3. Procedure

- Vendor Evaluation**
 - Perform due diligence and assess vendor capability and credibility.
 - Obtain references and review vendor history.
- Compliance Verification**
 - Check for legal registrations, licenses, tax/GST certificates, and adherence to company's compliance requirements.
 - Screen for sanctions, denied parties, and regulatory blacklists.
- Contract Review**
 - Ensure contracts/agreements are reviewed and approved by legal and procurement.
 - Confirm contract terms and SLA are clear and agreed upon by both parties.
- Document Collection**
 - Obtain all required documents:
 - Business registration certificates
 - Tax identification numbers
 - Bank account details
 - Insurance documents
 - Compliance and certification documents
 - Signed contracts
 - Store all documents securely (digitally or physically as per policy).
- System Registration**
 - Create vendor profile in ERP/procurement system.
 - Assign unique vendor ID and categorize appropriately.
- Communication Protocols**
 - Send official onboarding confirmation email to vendor with key contacts, next steps, and expectations.
 - Maintain logs of all onboarding-related communications.

4. Documentation & Record Keeping

All collected documents and onboarding records must be maintained as per the company's data retention policy and be accessible for future audits or reference.

5. References

- Vendor Onboarding Checklist

- Compliance Policy
- Document Retention Policy
- Procurement Manual