Standard Operating Procedure (SOP) Vendor Registration and Document Verification

This SOP defines the process for **vendor registration and document verification**, including criteria for vendor eligibility, required documentation submission, verification procedures, approval workflows, record maintenance, and compliance checks. The goal is to ensure that all vendors are properly vetted, compliant with company policies, and capable of delivering quality products or services, thereby minimizing risks and fostering reliable business partnerships.

1. Purpose

To outline a standardized process for vendor registration and document verification, maintaining compliance and mitigating supply chain risk.

2. Scope

This SOP applies to all procurement and accounts staff involved in onboarding new vendors or renewing existing vendors for the organization.

3. Responsibility

- **Procurement Team:** Collects documents, performs verification checks, and maintains records.
- **Compliance/Legal Team:** Reviews statutory and regulatory compliance.
- **Approving Authority:** Final approval/rejection of vendor registration.

4. Definitions

- **Vendor:** An individual or business providing goods or services to the organization.
- **KYC:** Know Your Customer documentation for entity verification.

5. Eligibility Criteria

- Valid business registration and statutory licenses.
- No previous history of blacklisting, fraud, or regulatory violations.
- Compliance with company's ethical standards and anti-bribery policies.

6. Required Documentation

Document	Description	Mandatory?
Business Registration Certificate	Proof of legal entity	Yes
Tax Registration (GST/VAT/TIN/PAN)	Proof of tax compliance	Yes
Bank Account Details (Cancelled Cheque/Passbook Copy)	For payment processing	Yes
Compliance Certifications (If applicable)	ISO, MSME, minority certification, etc.	Conditional
Contact Information	Telephone, email & address proof	Yes

7. Registration and Verification Procedure

1. **Vendor Application Submission:**
   - Vendor submits registration form with all required documents via email/portal.

2. **Document Review:**
   - Procurement team reviews submitted documents for completeness and validity.

3. **KYC & Compliance Checks:**
   - Verify identity, address, legal standing, and compliance certifications.

4. **Approval Workflow:**
   - Procurement team recommends approval/rejection; escalates to approving authority as per matrix.

5. **Vendor Master Update:**
   - Upon approval, vendor is added to the ERP/vendor master database.

6. **Notification:**
   - Vendor is notified of approval or reason for rejection.

8. Record Maintenance

- All documents and approvals are securely stored physically and/or digitally for a minimum of 5 years.
- Access restricted to authorized personnel.

9. Compliance & Review

- Periodic audits are conducted to ensure ongoing compliance.
- Vendors are re-verified annually or as required by risk assessment.

10. Revision History

Revision No.	Date	Details	Approved By
1.0	2024-06-10	Initial issue	Head of Procurement