Standard Operating Procedure

Billing, Payment, and Receipt Handling Standard

This SOP details the **billing, payment, and receipt handling standard**, encompassing accurate invoice preparation, timely billing processes, secure payment collection, proper receipt issuance, and record-keeping protocols. The objective is to ensure consistent financial transactions, maintain transparency, and uphold accountability in all billing and payment operations within the organization.

1. Purpose

To establish a clear and standardized methodology for preparing invoices, processing payments, issuing receipts, and maintaining financial records.

2. Scope

This SOP applies to all employees involved in financial transactions, including billing, payment collection, and records management.

3. Responsibilities

- **Finance Team:** Preparation, verification, and dispatch of invoices; reconciliation and record management.
- **Sales/Account Managers:** Provide required client and transaction details for billing.
- **Receipts Issuer:** Promptly issues receipts to clients and ensures their accuracy.
- **Supervisors/Managers:** Oversight of process compliance and approval of exceptions.

4. Procedures

1. **Invoice Preparation**
   - Gather accurate transaction and client details.
   - Prepare invoice in the approved format (including invoice number, date, client info, breakdown of charges, and payment terms).
   - Review invoice for accuracy and completeness.
   - Acquire required approvals before dispatching invoice.
2. **Billing Process**
   - Send invoices to clients via approved channels (e.g., email, postal, or dedicated portals) within *3 business days* of service delivery or milestone completion.
   - Maintain an invoice log with unique identifiers.
3. **Payment Collection**
   - Monitor outstanding invoices and follow up on overdue payments according to credit and collection policies.
   - Accept payments by approved methods (e.g., bank transfer, cheque, credit card).
   - Verify authenticity of payment before processing.
4. **Receipt Issuance**
   - Issue official receipt for every payment received, stating payment method, amount, date, payer name, and related invoice number.
   - Receipts should be generated and sent to clients within *2 business days* of payment confirmation.
   - Store a duplicate/record of each issued receipt.
5. **Record-Keeping**
   - Maintain all billing, payment, and receipt records securely for the period stipulated by organizational and legal requirements (typically *at least 5 years*).
   - Ensure digital records are backed up regularly and paper records are stored securely.
6. **Discrepancy and Exception Handling**
   - Report any discrepancies, errors, or exceptions in billing or payment immediately to the Finance Supervisor.
   - Investigate and resolve discrepancies as per standard protocols; document all corrective actions taken.

5. Documentation and Templates

Document	Description	Storage Location

Invoice Template	Standard format for issuing client invoices	Finance Shared Drive > Templates
Receipt Template	Official format for receipt issuance	Finance Shared Drive > Templates
Invoice Register	Record of all generated and dispatched invoices	Finance Shared Drive > Registers
Payment Register	Track all payments received and matched to invoices	Finance Shared Drive > Registers
Receipt Register	Archive of all issued receipts	Finance Shared Drive > Registers

6. Compliance

All team members involved in the process must adhere to this SOP and related financial policies. Non-compliance will be addressed in accordance with disciplinary procedures.

7. Review

This SOP will be reviewed annually or as required to reflect process improvement and regulatory updates.

Note: Always safeguard client and transaction information in compliance with applicable data protection regulations.