

Standard Operating Procedure (SOP)

Invoice Receipt and Documentation Procedures

Purpose:

This SOP details the **invoice receipt and documentation procedures**, covering the systematic process for receiving, verifying, and recording invoices, ensuring accuracy and compliance with company policies. It includes steps for validating invoice details against purchase orders, proper filing and storage methods, handling discrepancies or disputes, and maintaining a clear audit trail for financial accountability and timely payment processing.

Scope:

This SOP applies to all staff involved in the processing, management, and storage of supplier invoices within the company.

Responsibilities:

- **Accounts Payable Staff:** Ensure invoices are correctly received, verified, and recorded.
- **Department Managers:** Approve invoices related to their departments and resolve any disputes or discrepancies.
- **Finance Manager:** Oversee compliance with procedures and perform periodic audits.

Procedure Steps:

1. Invoice Receipt:

- Receive invoices via mail, email, or designated electronic portals.
- Date-stamp or mark the receipt date on all invoices upon arrival.

2. Invoice Verification:

- Check invoice details: supplier name, invoice number, date, amount, and description of goods/services.
- Match invoice to corresponding Purchase Order (PO) and delivery note/receiving report.
- Verify quantities, prices, and terms against the PO and received items.

3. Discrepancy Handling:

- If inconsistencies or errors are found, log the issue and escalate to the relevant department manager for resolution.
- Communicate with suppliers as needed to rectify discrepancies.
- Document the corrective actions taken and update records accordingly.

4. Approval & Documentation:

- Forward verified invoices to department managers for approval.
- Ensure that all approvals (digital or manual signatures) are recorded and attached to the invoice file.
- Enter invoice details into the accounting system, referencing PO and approval information.

5. Filing and Storage:

- Digitally scan or store invoices in the company's document management system with unique references.
- Maintain a secure, chronological filing system (both physical and electronic, as applicable).

6. Payment Processing:

- Schedule payment according to company payment terms and approved invoice records.
- Retain proof of payment with the invoice file for audit purposes.

7. **Audit Trail Maintenance:**

- Log all actions and approvals related to each invoice for accountability.

Record Retention:

- Keep all invoice records (both digital and physical) for a minimum of **7 years**, or as required by law or company policy.

References & Related Documents:

- Company Purchase Order Policy
- Records Retention Policy
- Dispute Resolution Procedures

Version	Date	Prepared by	Reviewed by	Approved by
1.0	2024-06-12	Finance Dept.	Finance Manager	Director of Finance