

SOP Template: Communication Protocol for Purchase Order Issuance and Confirmation

This SOP defines the **communication protocol for purchase order issuance and confirmation**, detailing the standardized steps for creating, distributing, and confirming purchase orders between departments and suppliers. It ensures timely and accurate transmission, approval processes, acknowledgment of receipt, and record-keeping to maintain clarity and accountability in procurement activities.

1. Purpose

To establish a clear and standardized communication protocol for the issuance and confirmation of purchase orders (POs) to ensure accurate procurement and accountability.

2. Scope

This SOP applies to all employees involved in the creation, distribution, acknowledgment, and confirmation of purchase orders within the organization and with external suppliers.

3. Responsibilities

- **Procurement Department:** Drafts, reviews, and issues purchase orders to suppliers.
- **Requesting Department:** Initiates the purchase request and provides necessary details.
- **Approving Authorities:** Review and approve purchase orders as per delegation of authority.
- **Suppliers:** Confirms receipt and acceptance of the purchase order.
- **Records Officer:** Maintains accurate and complete documentation of purchase orders and related communications.

4. Procedure

1. Purchase Request Initiation

- The Requesting Department submits a purchase requisition with required specifications and justification.

2. Purchase Order Creation

- The Procurement Department reviews the requisition, sources suppliers if required, and drafts a Purchase Order.

3. Approval of Purchase Order

- The PO is submitted for review and approval by the designated authority as per company policy.

4. PO Issuance & Distribution

- Upon approval, the PO is officially issued to the supplier via the agreed communication method (e.g., email, procurement platform).
- The PO is simultaneously copied to all internal stakeholders as appropriate (e.g., Finance, Requesting Department).

5. Supplier Acknowledgment

- Supplier acknowledges receipt within [X] business days via written confirmation (email or portal acknowledgment).
- If no acknowledgment is received, the Procurement Department will follow up by phone or email.

6. Confirmation & Record-Keeping

- Upon receiving supplier confirmation, the Procurement Department logs the confirmation and files all related emails/correspondence.
- Maintain records in accordance with company retention policies.

5. Communication Channels

| Activity | Preferred Channel | Backup Channel |
|-------------------------|---|----------------|
| Purchase Order Issuance | Email (with read receipt), Procurement Portal | Fax, Courier |
| Supplier Acknowledgment | Email, Portal Confirmation | Phone |
| Internal Notifications | Email, ERP Notifications | Memo |

6. Documentation & Record Keeping

- All POs, confirmations, and communications must be archived in the centralized procurement system or designated physical files.
- Access to such records is restricted to authorized personnel.
- Retention period: Minimum [X] years.

7. References

- Procurement Policy Manual
- Delegation of Authority Matrix
- Company Record Retention Policy

8. Revision History

| Version | Date | Description of Change | Prepared By |
|---------|------------|-----------------------|------------------|
| 1.0 | 2024-06-09 | Initial Release | Procurement Lead |