

SOP: Invoice Data Entry into Accounting System

This SOP details the process of **invoice data entry into the accounting system**, covering steps such as receiving and verifying invoices, accurately inputting invoice details, coding expenses to appropriate accounts, ensuring compliance with company policies, validating data against purchase orders, handling discrepancies, and maintaining organized records. The procedure aims to achieve precise and timely recording of financial transactions to support effective financial reporting and audit readiness.

1. Purpose

To establish a standardized process for entering invoice data into the accounting system, ensuring accuracy, compliance, and audit readiness.

2. Scope

This procedure applies to all personnel responsible for processing and recording vendor invoices within the accounting department.

3. Responsibilities

- Accounts Payable Staff: Receive, verify, and input invoice data.
- Accounting Manager: Review and approve invoice entries and handle escalations.
- Internal Audit: Periodically review adherence to the SOP.

4. Procedure

1. **Invoice Receipt:**
 - Collect invoices from mail, email, or accounting portal.
 - Date-stamp and log each invoice upon receipt.
2. **Invoice Verification:**
 - Confirm the invoice is addressed to the company.
 - Ensure all required information (vendor, date, amount, PO number, etc.) is present.
3. **Matching & Validation:**
 - Match the invoice against purchase orders and receiving reports.
 - Investigate and resolve any discrepancies.
4. **Data Entry:**
 - Log into the accounting system.
 - Enter invoice details including date, vendor, invoice number, amount, and PO number.
 - Ensure all data entered matches the source document.
5. **Expense Coding:**
 - Assign expenses to the correct general ledger accounts and cost centers as per the invoice and company policy.
6. **Compliance Check:**
 - Ensure all approvals are in place according to the company's authority matrix.
 - Attach supporting documents in the accounting system if required.
7. **Record Keeping:**
 - File physical or digital copies of invoices with unique identifiers for audit traceability.
8. **Handling Discrepancies:**
 - If invoice details do not match related documents, flag and escalate to the accounting manager (see escalation matrix).

9. Final Review:

- Accounting manager or delegate reviews entries for accuracy and completeness on a periodic basis.

5. Records Management

- Retain invoices and supporting documents as per company retention policy (typically 7 years).

6. Related Documents

- Company Chart of Accounts
- Approval Matrix Policy
- Document Retention Policy

Note: All personnel handling invoices must adhere to confidentiality requirements and report any suspected fraud immediately.