

# SOP: Price Override and Discount Approval Steps

This SOP defines the **price override and discount approval steps** to ensure proper authorization, consistency, and accountability in applying discounts and price changes. It details the process for requesting overrides, necessary approvals from designated personnel, documentation requirements, and system entry protocols. The goal is to maintain pricing integrity, prevent unauthorized discounts, and support accurate financial reporting.

## 1. Purpose

To establish a standardized process for requesting, approving, documenting, and applying price overrides and discounts.

## 2. Scope

This SOP applies to all employees and departments involved in price adjustments and discount applications.

## 3. Definitions

- **Price Override:** Any adjustment to standard or list pricing outside of established promotions.
- **Discount:** A reduction applied to the standard price as an incentive, promotion, or for specific customers.
- **Approver:** Authorized personnel empowered to approve overrides/discounts per approval matrix.

## 4. Process Steps

1. **Initiation of Request**
  - Sales or requesting employee completes the **Price Override/Discount Request Form** with details:
    - Customer/Account name
    - Product/SKU(s) involved
    - Reason for request
    - Requested price or discount %
    - Supporting documentation (if required)
  - Submit the form to the designated approver(s) via approved channels (email, workflow system).
2. **Approval Routing**
  - Requests are routed according to the approval matrix based on value/percentage thresholds:

Discount/Override Amount	Approver
Up to 5%	Sales Manager
5.1% – 15%	Department Head/Director
Above 15%	VP Sales or CFO

  - Approver reviews request, supporting rationale, and documentation.
  - Approver approves or declines the request, providing comments as needed.
3. **Documentation**
  - All approvals/denials are documented and stored.
  - Maintain electronic or paper copies for audits for a minimum of 2 years.
4. **System Entry**
  - Upon approval, authorized personnel enter the approved price or discount into the ERP/CRM system.
  - Attach or link approval documentation to the transaction record.
5. **Review and Audit**
  - Finance and Compliance teams conduct periodic audits to ensure adherence to this SOP.
  - Report violations and recommend corrective actions as needed.

## 5. Roles and Responsibilities

Role	Responsibilities
Sales/Requestor	Initiate request, provide complete information, ensure justification and documentation.
Approver(s)	Review, approve/decline requests, ensure compliance with policy.

Admin/Data Entry	Ensure timely system entry and attachment of documentation.
Finance/Compliance	Periodically audit and report on process adherence.

## 6. Related Documents

- Price Override/Discount Request Form
- Approval Matrix Document
- Pricing Policy

## 7. Revision and Control

Reviewed annually. Changes require approval from VP Sales and Finance.

**Note:** Unauthorized price overrides or discounts are subject to disciplinary action.