



SOP 1: Price Change Exception

SOP ID: SOP_PRICE_CHANGE_V1

Exception Type: Price Change (PO vs Invoice)

Step 1: Confirm Exception Context

- Confirm this variance is due to price difference, not due to tax, freight, or unit-of-measure inconsistencies.
- Verify PO and invoice refer to the same line item and vendor.

Step 2: Quantify the Deviation

- Compute percentage variance: $(\text{Invoice Price} - \text{PO Price}) / \text{PO Price} \times 100$.

- Classify:

$\leq 5\%$ → Low

5–10 % → Medium

10 % → High

Step 3: Assign Severity

- Tag the record with the appropriate severity (Low / Medium / High).
- Note whether variance is an increase or decrease.

Step 4: Generate Reasoning Summary

Reasoning should explain:

- The difference detected (what and by how much).
- The possible business reason (e.g., vendor updated price, contract not synced).
- The implication (e.g., potential overpayment or mismatch).

Example tone:

"Invoice 5100007221 is priced 7.5 % higher than PO 4500009281.

This could indicate a vendor rate revision or pricing error requiring review."

Step 5: Recommend Action

- Low: Informational only.
- Medium: Recommend manual review.
- High: Recommend escalation to procurement / AP lead.

Step 6: Populate Dashboard Output

```
{  
  "exception_type": "Price Change",  
  "variance_percent": 7.5,  
  "severity": "Medium",  
  "recommended_action": "Review vendor pricing before payment.",  
  "agent_reasoning_summary": "Invoice 5100007221 is priced 7.5% higher than PO  
 4500009281. Possible vendor rate update or entry error.",  
  "status": "Pending",  
  "confidence_score": 0.91  
}
```