

Procure-to-Pay Guidelines

Acme Corporation - Internal Policy Document

Version 2.1 - Effective Date: January 2024

1. Introduction

This document outlines the procure-to-pay process for Acme Corporation. All employees must follow these guidelines when purchasing goods or services.

2. Purchase Requisition Process

- 2.1 All purchases over \$500 require a formal purchase requisition.
- 2.2 Requisitions must be submitted through the SAP procurement system.
- 2.3 The requisition must include: item description, quantity, estimated cost, vendor information, and business justification.

3. Approval Thresholds

- 3.1 Purchases under \$500: No approval required
- 3.2 Purchases \$500 - \$5,000: Department Manager approval
- 3.3 Purchases \$5,001 - \$25,000: Director approval
- 3.4 Purchases \$25,001 - \$100,000: VP approval
- 3.5 Purchases over \$100,000: CFO approval required

4. Vendor Selection

- 4.1 Preferred vendors from the approved vendor list should be used.
- 4.2 For purchases over \$10,000, at least three quotes are required.
- 4.3 New vendors must complete the vendor registration process.

5. Purchase Order Creation

- 5.1 Once approved, a Purchase Order will be generated automatically.
- 5.2 The PO must be sent to the vendor within 2 business days.
- 5.3 PO numbers follow the format: PO-YYYY-XXXXXX

6. Goods Receipt

- 6.1 All goods must be inspected upon delivery.
- 6.2 The receiving department must confirm quantity and quality.
- 6.3 Goods receipt must be recorded in SAP within 24 hours.
- 6.4 Any discrepancies must be reported to Procurement immediately.

7. Invoice Processing

- 7.1 Invoices must reference a valid Purchase Order number.
- 7.2 Three-way matching is performed: PO, Goods Receipt, Invoice.
- 7.3 Invoices with variances over 5% require manual review.
- 7.4 All invoices must be processed within 5 business days.

8. Payment Terms

- 8.1 Standard payment terms are Net 30.
- 8.2 Early payment discounts should be taken when offered.
- 8.3 Payment methods: ACH, Wire Transfer, or Corporate Card.
- 8.4 Payments over \$50,000 require dual authorization.

9. Emergency Purchases

9.1 Emergency purchases may bypass normal approval workflow.

9.2 Retroactive approval must be obtained within 48 hours.

9.3 Emergency purchases are limited to \$10,000 maximum.

10. Compliance and Audit

10.1 All procurement activities are subject to internal audit.

10.2 Documentation must be retained for 7 years.

10.3 Violations may result in disciplinary action.

11. Contact Information

Procurement Department: procurement@acme.com

Accounts Payable: ap@acme.com

Finance Helpdesk: finance-help@acme.com

Document Control

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Owner: Chief Financial Officer

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