

# 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**

Last Updated: December 2024

Owner: Chief Financial Officer

Next Review: January 2025