**Global Finance Operations Accounts Payable Approval Authorization Limits Policy**

1. **Purpose**: This policy governs the approval authorization limits for paybacks and invoice adjustments managed and initiated by the Finance Operations (FinOps) Accounts Payable (AP) team to fully or partially reverse a previous deduction. Additionally, this policy covers business owned processes resulting in AP invoice adjustments and paybacks executed through FinOps managed applications.
2. **Scope**: This policy is applicable globally for all Amazon FinOps AP orgs and equivalent orgs in Amazon subsidiaries that use FinOps applications to maintain systematic approval workflows (for example, FinOps Central (FOC), Creature) for authorizing adjustments to FinOps managed paybacks and invoice adjustments.
3. **Review Cadence**: This policy shall be reviewed, at minimum, on an annual basis by the Global FinOps Services AP Director. Changes to the policy resulting in material differences require approval by the FinOps VP. Changes leading to approval thresholds inconsistent with the [Spending and Transaction Policy](https://inside.amazon.com/en/services/legal/us/spendingandtransaction/Pages/default.aspx) require additional approval from the CFO and SVP & General Counsel.
4. **International Currencies**: Unless otherwise stated in dedicated standards or Standard Operating Procedures (SOPs), non-US currency conversion rates must be in line with the international currencies limits table as per the [Spending & Transaction Policy](https://inside.amazon.com/en/services/legal/us/spendingandtransaction/Pages/default.aspx#amz_section01) .
5. **Exceptions to the** **Spending & Transactions Policy (S&TP):** This section defines concepts exempted from S&TP requirements to seek Departmental (“Retail”) and Finance (“Retail Finance”) approvals when the following applies:
   1. **By Amount:** FinOps can approve paybacks and invoice adjustment for amounts defined up to and equal of $100,000 USD or the non-US local equivalent per Table 1 in section 7 below.
      1. The amount is defined as per calculations specified by the Accounts Payable (AP) department relevant to each AP transaction type and executed through departmental Standard Operating Procedures (SOPs) approved at the FinOps AP Director level.

* + 1. This includes final agreed amounts for **Account Settlements** defined as the payment of outstanding balances for one or multiple FinOps owned or managed transaction types up to a given time period. Settlements must include a mutual agreement with the Vendor that the payment made represents full and final closure of all transactions within the date range specified.
  1. **By Rationale:** For FinOps owned transactions, where evidence from the inventory or invoice level adjustment analysis clearly justifies that a FinOps AP prior deduction requires full or partial reversal (repayment), no further approval is required from Retail or Retail Finance.
     1. Examples include transactions resulting in zero P&L impact, and cases of high confidence inventory status (e.g. Net Founds). All use cases must be clearly defined and governed by a designated standard approved at the FinOps AP Director level and reviewed annually at minimum.

1. **Operational controls:** 
   1. Supporting evidence is required in all cases, which clearly justifies executing the **decision per departmental Standard Operating Procedures (SOP) or dedicated standards approved at the FinOps AP Director level.**
   2. **Supporting evidence** must be documented and made available electronically for audits executed by the FinOps AP Leadership team (L6 and above) and the FinOps Quality Assurance team with review results presented annually to FinOps AP Director Level at a minimum.
   3. **Enforcement of stricter approval limits for applicable use cases (e.g. low tolerance currency conversions through China, India, and Brazil or recent business / geographical launches, e.g. Australia) is at the discretion of the** FinOps **AP Director and executed through applicable** FinOps **SOPs.**
   4. For Account Settlements, verification that Post Audit Recovery Firm(s) have completed their audit for the defined time period is required to ensure all funds due are considered.
2. **Review and Approval Authorization levels for all transactions defined in this policy: Retail and Retail Finance Levels in this policy refer to Departmental (“Retail”) and Finance (“Retail Finance) approval definitions in the** [Spending & Transaction Policy](https://inside.amazon.com/en/services/legal/us/spendingandtransaction/Pages/default.aspx#amz_section01)**. FinOps authorization Levels refer to approvers within the orgs defined to be in scope per section 2 in this policy and levels as specified, or per Departmental approver levels when defaulted to the** [Spending & Transaction Policy](https://inside.amazon.com/en/services/legal/us/spendingandtransaction/Pages/default.aspx#amz_section01).
   1. Table 1 provides the required approval authorization limits to execute payment for all FinOps managed AP invoice adjustments and paybacks, including Account Settlements as defined in section 5.1.2 and Internal AP adjustments. This includes reversals of Purchase Quantity Variance (PQV) and Quick Pay Discount (QPD) deductions (partial or full). A Purchase Quantity Variance (PQV) occurs when Amazon does not have a record of receipt for the particular product invoiced by the vendor and payment is deducted accordingly. A Quickpay Discount is when a vendor offers Amazon a conditional discount on the invoice amount owed, if full payment for the invoice is received by the vendor at a date earlier than the invoice due date. Miscellaneous AP invoice or Internal AP deduction reversals processed through FinOps owned tools are also governed by Table 1 below.

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| **Table 1: Authorization approval limits for FinOps owned paybacks and adjustments** | | | |
| **FinOps** | **Retail** | **Retail Finance** | **Value USD\*** |
| Level 4 | *Not Required* | *Not Required* | $5,000 or less |
| Level 5 | *Not Required* | *Not Required* | $5,001 -$10,000 |
| Level 6 | *Not Required* | *Not Required* | $10,001 - $75,000 |
| Level 7 | *Not Required* | *Not Required* | $75,001 - $100,000 |
| Per levels defined in the [Spending & Transaction Policy](https://inside.amazon.com/en/services/legal/us/spendingandtransaction/Pages/default.aspx#amz_section01) | Per levels defined in the [Spending & Transaction Policy](https://inside.amazon.com/en/services/legal/us/spendingandtransaction/Pages/default.aspx#amz_section01) | Per levels defined in the [Spending & Transaction Policy](https://inside.amazon.com/en/services/legal/us/spendingandtransaction/Pages/default.aspx#amz_section01) | Over $100,000 |

*\*Or Non-US local equivalent per definition in section 4.*

* 1. Table 2 provides authorization limits for the Price Claim Reversals (PCR) process maintained under Retail ownership and executed through FinOps applications. FinOps approval levels refer to operational execution required in FinOps owned or managed systems to process the reversal post Retail and Retail Finance review. A Purchase Price Variance (PPV) occurs when a vendor is invoicing Amazon at a higher unit cost than the unit cost confirmed on the purchase order and the difference is deducted from the Vendor’s payment. Subsequent reversal of a PPV deduction is referred to as a PCR.

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| **Table 2: Authorization approval limits for Retail owned PCR paybacks and adjustments transacted through FinOps Applications** | | | |
| **Value USD\*** | **Retail** | **Retail Finance** | **FinOps** |
| $2,000 or less | Level 2 or 3 | *Not Required* | Level 4 |
| $2,0001 - $5,000 | Level 4 | *Not Required* | Level 4 |
| $5,001 -$10,000 | Level 5 | *Not Required* | Level 5 |
| $10,001 - $50,000 | Per levels defined in the [Spending & Transaction Policy](https://inside.amazon.com/en/services/legal/us/spendingandtransaction/Pages/default.aspx#amz_section01) | | Level 5 |
| $50,001 - $250,000 | Level 6 |
| $250,001 - $1,000,000 | Level 7 |
| Over $1,000,000 | Per levels defined in the [Spending & Transaction Policy](https://inside.amazon.com/en/services/legal/us/spendingandtransaction/Pages/default.aspx#amz_section01) |

*\*Or Non-US local equivalent per definition in section 4.*

1. **Global Risk and Compliance (GRC) controls:**
   1. [4215](https://grc.amazon.com/controls/4215)**: Approval Authorization Limits Policy - Validation of Approval Limits in Appian (Q1 & Q3)**
   2. [4132](https://grc.amazon.com/controls/4132)**: Approval Authorization Limits Policy - Validation of Approval Limits in Creature (Q1 & Q3)**
   3. [4133](https://grc.amazon.com/controls/4133)**: Approval Authorization Limits Policy - Validation of Approval Limits in Fin Ops Central (Q1 & Q3)**
   4. [4119](https://grc.amazon.com/controls/4119): **Approval Authorization Limits Policy - Review of Transactions Exempted from Retail Approval (Quarterly)**