Supplier invoice approval and payment

Manual | 10 steps | 3 roles | Created Sep 2, 2026 | Updated Sep 2, 2026 | v1

How Accounts Payable checks, approves, and pays a supplier invoice, with the matching and thresholds a finance team can evidence.

TRIGGER

When a supplier invoice arrives in the accounts payable inbox.

10 STEPS

1. **Accounts Payable records the invoice in the finance system with supplier, date, amount, and invoice number.**

   Within two working days of receipt

   Log it before assessing it. An unlogged invoice under review is an invoice that can be paid twice or not at all.

2. **Accounts Payable checks the invoice against the purchase order and the goods or services receipt.**

   The three-way match. Confirm the amount, quantity, and that what was ordered was actually received.

   All three match: Go to step 4: Accounts Payable checks the invoice amount against the approval threshold.
   Discrepancy or no purchase order: Go to step 3: Accounts Payable raises the discrepancy with the Budget Owner and the supplier, and holds the invoice.

3. **Accounts Payable raises the discrepancy with the Budget Owner and the supplier, and holds the invoice.**

   Held, not paid pending resolution and not paid partially. A partial payment on a disputed invoice makes reconciliation harder later.

   Resolved, invoice valid: Go to step 4: Accounts Payable checks the invoice amount against the approval threshold.
   Invoice incorrect, credit note requested: Go to step 9: Accounts Payable records the credit note against the original invoice and closes it as not payable.

4. **Accounts Payable checks the invoice amount against the approval threshold.**

   Set your own thresholds. The principle that matters is that a higher amount requires a second, more senior approver.

   Below the first threshold: Go to step 5: Budget Owner reviews and approves the invoice in the finance system.
   At or above the first threshold: Go to step 6: Budget Owner reviews and approves, then routes the invoice to the Finance Director for second approval.

5. **Budget Owner reviews and approves the invoice in the finance system.**

   Within three working days

   Approval is recorded in the system, not given verbally or in a chat message. An approval with no durable record does not satisfy an audit.

6. **Budget Owner reviews and approves, then routes the invoice to the Finance Director for second approval.**

   Both approvals recorded separately. The same person cannot provide both, and the system should prevent it rather than relying on people to remember.

7. **Finance Director provides second approval for invoices at or above the threshold.**

   Within three working days

8. **Accounts Payable schedules payment per the supplier's agreed terms and records the payment date and reference.**

   Never pay from bank details supplied in an email. Verify any change of supplier bank details by phoning a known contact on a number you already hold. This is the most common invoice fraud route and it works.

   Payment made: Ends the procedure
   Bank details changed since last payment: Go to step 10: Accounts Payable verifies the change of bank details by telephone with a known contact, using a number held on file rather than one from the email, and records who confirmed it and when.

9. **Accounts Payable records the credit note against the original invoice and closes it as not payable.**

   Close the original explicitly. An abandoned disputed invoice reappears in the next reconciliation.

   Closed: Ends the procedure

10. **Accounts Payable verifies the change of bank details by telephone with a known contact, using a number held on file rather than one from the email, and records who confirmed it and when.**

    No exceptions to this step regardless of how urgent the request appears. Urgency is the pressure tactic.

    Verified: Go to step 8: Accounts Payable schedules payment per the supplier's agreed terms and records the payment date and reference.
    Cannot verify: Go to step 3: Accounts Payable raises the discrepancy with the Budget Owner and the supplier, and holds the invoice.

ROLES INVOLVED

Accounts Payable | Budget Owner | Finance Director

REVIEW CADENCE

Annually at minimum, and immediately after any change to approval thresholds, signatories, or your finance system.

Name the person accountable for this procedure before you put it into use.

CHANGE THESE BEFORE YOU USE IT

- Set your own approval thresholds in step 4, and add a third tier if your business needs board approval above some amount.
- If you do not raise purchase orders, replace the three-way match in step 2 with a check against the contract or the agreed rate card.
- Name your actual finance system, because 'the finance system' is not a followable instruction.
- If you pay by direct debit or on a card for some suppliers, add that as its own branch rather than leaving it undocumented.

This is a free starting point from sendabrief.com, not compliance advice. It is written to be adapted.

Source: https://sendabrief.com/templates/invoice-approval-and-payment