Supplier onboarding and approval

Manual | 11 steps | 3 roles | Created Sep 2, 2026 | Updated Sep 2, 2026 | v1

How a new supplier is checked, bank-verified, and approved before the first payment ever leaves.

TRIGGER

When a new supplier is proposed, or when an existing supplier's bank or legal details change.

11 STEPS

1. **Requester submits the proposed supplier with what they will provide and why an existing approved supplier will not do.**

   The second half matters. Supplier lists grow through convenience, and every additional supplier is additional risk and admin.

2. **Finance Lead verifies the supplier is a real legal entity using an independent public register, not documents the supplier provided.**

   Independent source. A letterhead, a website, and a company number on an invoice can all be fabricated in an afternoon.

3. **Finance Lead verifies bank details by telephoning a number obtained independently, never one from the invoice, email, or supplier's own paperwork.**

   This single step prevents the most common and most expensive fraud in procurement. Urgency is the pressure tactic, so no exceptions for urgency.

   Verified: Go to step 4: Finance Lead records who verified the bank details, how, and on what date.
   Cannot verify: Go to step 11: Finance Lead records the rejection with the reason and informs the Requester, and does not release payment.

4. **Finance Lead records who verified the bank details, how, and on what date.**

   The record is the control. "We checked" with no name or date is indistinguishable from not checking.

5. **Category Owner assesses whether this supplier would be critical: a single source, holding customer data, or on the critical path for delivery.**

   Not critical: Go to step 7: Finance Lead confirms whether the supplier will process customer or personal data on your behalf.
   Critical: Go to step 6: Category Owner completes enhanced due diligence for a critical supplier: financial stability, insurance, business continuity, and any required certifications.

6 **Category Owner completes enhanced due diligence for a critical supplier: financial stability, insurance, business continuity, and any required certifications.**

For a single-source critical supplier, financial stability is the check that matters most. A supplier failing takes your delivery with it.

Passed: Go to step 7: Finance Lead confirms whether the supplier will process customer or personal data on your behalf.
Failed: Go to step 11: Finance Lead records the rejection with the reason and informs the Requester, and does not release payment.

7 **Finance Lead confirms whether the supplier will process customer or personal data on your behalf.**

No personal data: Go to step 9: Category Owner records the agreed commercial terms, payment terms, and any service expectations.
Will process personal data: Go to step 8: Finance Lead ensures a data processing agreement is in place before any data is shared, and records where it is held.

8 **Finance Lead ensures a data processing agreement is in place before any data is shared, and records where it is held.**

Before data is shared, not after go-live. Retrofitting a processing agreement to a supplier already holding your customers' data is a disclosure waiting to happen.

Agreement in place: Go to step 9: Category Owner records the agreed commercial terms, payment terms, and any service expectations.
Supplier will not sign: Go to step 11: Finance Lead records the rejection with the reason and informs the Requester, and does not release payment.

9 **Category Owner records the agreed commercial terms, payment terms, and any service expectations.**

Written terms, so the invoice-approval control downstream has something to check against.

10 **Finance Lead adds the supplier to the approved list with its category, owner, and next review date.**

An owner and a review date, or the approved list becomes a list of everyone you have ever paid.

Approved and recorded: Ends the procedure

11 **Finance Lead records the rejection with the reason and informs the Requester, and does not release payment.**

Record it. A rejected supplier reappearing under a slightly different name is exactly the pattern this catches.

Closed: Ends the procedure

ROLES INVOLVED

Requester | Finance Lead | Category Owner

REVIEW CADENCE

Annually, and immediately after any payment fraud attempt, whether or not it succeeded.

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

CHANGE THESE BEFORE YOU USE IT

- Define what makes a supplier critical for you in step 5, concretely, or nothing will be classified as critical.
- Name the independent register you check in step 2 for your jurisdiction.
- Set the review cadence per supplier tier in step 10 rather than one interval for everyone.
- Confirm your data processing agreement requirements with whoever owns your privacy compliance. This template names no specific regime.
- Connect this to your invoice approval and purchase order procedures, since all three depend on the same approved-supplier record.

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

Source: https://sendabrief.com/templates/supplier-onboarding-approval