

STANDARD OPERATING PROCEDURE

Vendor Invoice Approval

DOCUMENT ID SOP-FIN-014	REVISION 2 · Oct 1, 2026	OWNER Accounts Payable	REVIEW CYCLE Annually
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1 Purpose

This procedure explains how vendor invoices are received, verified, approved, and scheduled for payment. It protects Meridian from duplicate or unauthorized payments and makes sure vendors are paid accurately and on time.

2 Scope

Applies to all vendor invoices for goods and services charged to any Meridian cost center. It does not cover employee expense reports (SOP-FIN-009) or payroll.

3 Roles and responsibilities

ROLE	RESPONSIBILITY
AP specialist	Logs invoices, performs the three-way match, checks for duplicates, and routes for approval.
Cost center manager	Confirms the goods or services were received as ordered; approves invoices up to \$5,000.
Finance director	Approves invoices from \$5,000.01 to \$25,000.
Chief financial officer	Approves invoices over \$25,000 and any exception to this procedure.

4 Definitions

Three-way match	Confirming that the purchase order, goods receipt, and invoice agree on item, quantity, and price.
PayFlow	Meridian's accounts payable system, where every invoice is logged and approved.
Tolerance	The allowed variance between PO and invoice: the lesser of 2% or \$100.

5 Approval thresholds at a glance

INVOICE AMOUNT	REQUIRED APPROVER	TARGET TURNAROUND
Up to \$5,000	Cost center manager	2 business days
\$5,000.01 – \$25,000	Finance director	3 business days
Over \$25,000	Chief financial officer	3 business days

6 Procedure

PayFlow AP
Invoices > Awaiting approval > INV-88213

Harbor Office Supply Co.
1

Invoice INV-88213 · Received Oct 6, 2026 · Net 30

Purchase order
PO-40217

Goods received
Oct 3, 2026 · 120 of 120

Cost center
1140 · Branch Operations

Invoice total
\$7,842.50
2

✓ 3-way match: PO, receipt, and invoice agree
3

Approval route

AP specialist · verified

4
Cost center manager

Finance director (> \$5,000)

5
Approve

Return

Figure 1. Invoice approval screen in PayFlow. Numbers refer to the steps and callouts below. (Illustration of a fictional system.)

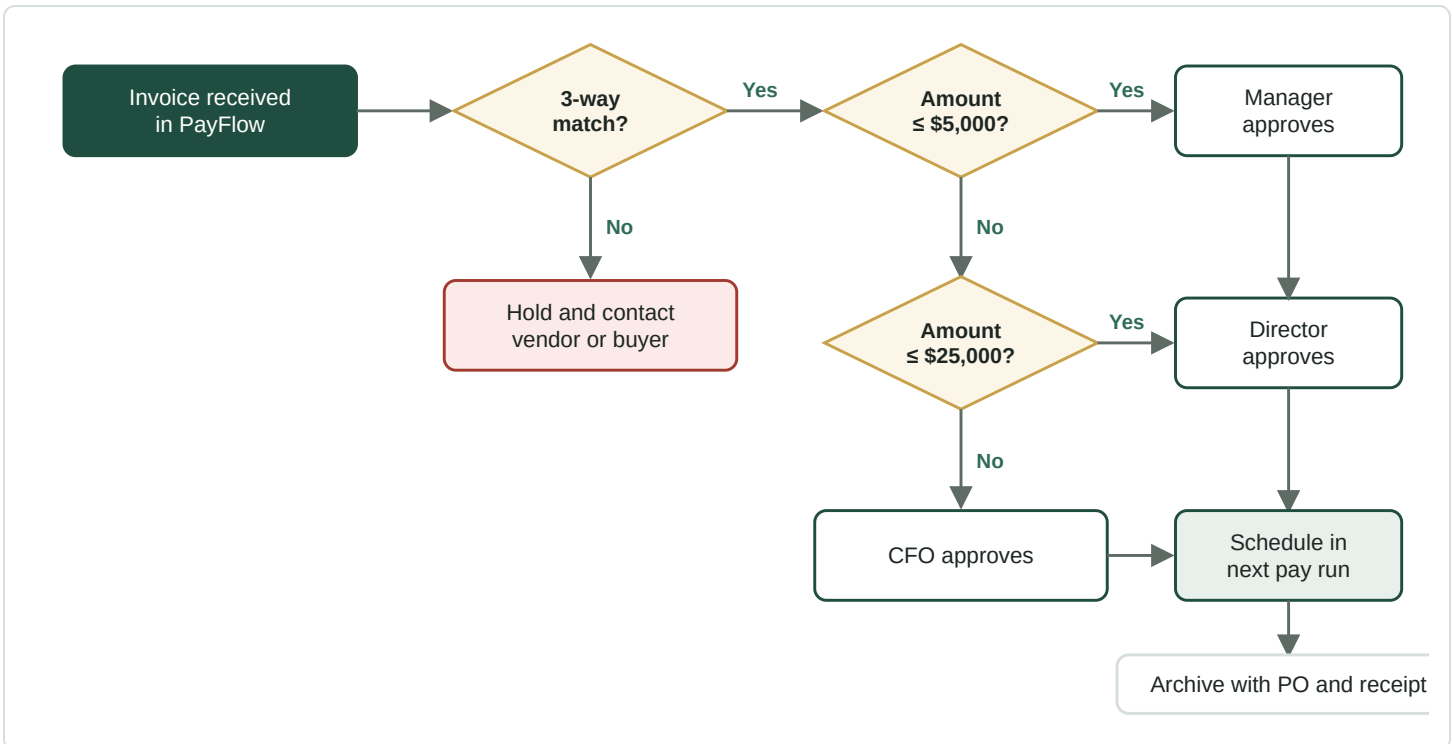
- 1 Receive and log the invoice** AP SPECIALIST
Log every invoice in PayFlow within 1 business day of receipt. Invoices emailed to individuals must be forwarded to ap@meridianridge.example.

Control: Every invoice receives a unique PayFlow ID; nothing is paid outside the system.
- 2 Check for duplicates** AP SPECIALIST
PayFlow flags invoices with a matching vendor, amount, and date. Review every flag before continuing.

Control: Never override a duplicate flag without a second AP specialist's review.
- 3 Perform the three-way match** AP SPECIALIST
Compare the PO, goods receipt, and invoice (callout 3). Variances within tolerance may proceed; others go on hold.
- 4 Route for approval** AP SPECIALIST
PayFlow routes by amount and cost center (callout 4). Add a note for anything unusual.
- 5 Review and approve** APPROVER
Confirm the goods or services were received as ordered, then select Approve or Return with a reason (callout 5).

Control: Approvers may not approve invoices for purchases they requested themselves.
- 6 Schedule payment** AP SPECIALIST
Approved invoices join the next weekly pay run (Thursdays). Early-payment discounts are captured when available.
- 7 Archive records** AP SPECIALIST
PayFlow stores the invoice, PO, receipt, and approval trail together for seven years.

7 Decision flow



8 Exceptions

Invoices without a purchase order require written CFO approval and a completed PO exception form. Urgent payments outside the weekly pay run require finance director approval and must be documented in PayFlow.

9 Records and retention

Invoice records, approvals, and supporting documents are retained for seven years in PayFlow, in line with Meridian's records retention schedule.

10 Revision history

REV.	DATE	CHANGE	AUTHOR
1	Mar 15, 2024	Initial release	J. Turner
2	Oct 1, 2026	Raised manager threshold to \$5,000; added PayFlow duplicate check	S. Martins

11 Approval

Sofia Martins
Accounts Payable Manager

David Chen
Finance Director

Rachel Owens
Chief Financial Officer