



## Standard Operating Procedure (SOP)

**Title:** Accounts – Payable  
**Version:** 1  
**Effective Date:** 22 February 2024  
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### 1. Purpose

The purpose of this SOP is to establish standardized procedures for processing invoices and payments at Tamborine Mountain Glades. It also outlines guidelines for verifying and recording expenses to ensure accuracy, efficiency, and compliance with financial policies.

### 2. Scope

This SOP applies to all employees involved in the accounts payable process at Tamborine Mountain Glades, including the finance department, department heads, and any staff responsible for approving or processing payments.

### 3. Responsibilities

- **Accounts Payable (AP) Staff:** Responsible for processing invoices, verifying expenses, and recording payments in the accounting system.
- **Department Heads:** Approve invoices related to their department's expenses and ensure that all necessary documentation is provided.
- **Finance Manager:** Oversees the accounts payable process, ensures compliance with company policies, and approves payments.

### 4. Definitions

- **Invoice:** A document issued by a vendor requesting payment for goods or services provided.
- **Purchase Order (PO):** A document issued by the company authorizing the purchase of goods or services.
- **Payment Terms:** The agreed-upon time frame within which a payment must be made to the vendor.
- **Expense Verification:** The process of ensuring that all expenses are valid, accurate, and authorized.

### 5. Procedures

#### 5.1 Receiving and Logging Invoices

- **Invoice Receipt:**
  - Invoices may be received via mail, email, or through an electronic invoicing system.
  - All invoices should be directed to the accounts payable department immediately upon receipt.
- **Invoice Logging:**
  - The accounts payable staff logs each invoice into the accounting system, assigning a unique reference number.



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- The log should include the invoice date, vendor name, invoice amount, due date, and the related purchase order number, if applicable.
- If the invoice is not associated with a purchase order, note the department or project it pertains to.

## 5.2 Verifying Invoices and Expenses

- **Purchase Order Matching:**
  - Match the invoice with the corresponding purchase order and delivery receipt to ensure that the goods or services were received as ordered.
  - Verify that the quantities and prices on the invoice match those on the purchase order.
- **Expense Verification:**
  - Confirm that the invoice amount is accurate and within the agreed-upon payment terms.
  - Ensure that all necessary approvals have been obtained from the relevant department head before processing the invoice.
  - If the invoice includes any discrepancies or unauthorized charges, contact the vendor immediately to resolve the issue before processing the payment.
- **Approval Process:**
  - Once verified, the invoice must be approved by the department head or authorized personnel.
  - The finance manager or designated approver should conduct a final review and approve the invoice for payment.
  - All approvals should be documented and retained for audit purposes.

## 5.3 Processing Payments

- **Payment Scheduling:**
  - Payments should be scheduled based on the invoice due date and the company's cash flow management practices.
  - Prioritize invoices with early payment discounts, if applicable, to take advantage of cost savings.
  - Group payments by due date and vendor to streamline the payment process.
- **Payment Methods:**
  - Payments can be made via electronic funds transfer (EFT), check, or credit card, depending on the vendor's preference and the company's payment policies.
  - Ensure that all payment details are accurate, including the vendor's bank account information, payment amount, and payment reference.
- **Recording Payments:**
  - Once the payment is made, record the transaction in the accounting system, marking the invoice as paid.
  - Include details such as the payment date, method of payment, payment reference number, and the account from which the payment was made.
  - Reconcile the payment with the bank statement to ensure accuracy.
- **Filing and Documentation:**



- File the paid invoice along with the payment confirmation and any related documents in the accounts payable records.
- Maintain both physical and electronic copies of all invoices and payment records for a minimum of seven years or as required by law.

#### 5.4 Month-End and Year-End Procedures

- **Reconciliation:**
  - At the end of each month, reconcile all accounts payable records with the general ledger to ensure accuracy.
  - Identify and investigate any discrepancies or outstanding payments.
- **Reporting:**
  - Prepare and submit a monthly accounts payable report to the finance manager, detailing total expenses, payments made, and any outstanding liabilities.
  - Include a summary of any early payment discounts or penalties incurred due to late payments.
- **Year-End Closing:**
  - At the end of the fiscal year, ensure that all invoices for the year have been processed and recorded.
  - Prepare year-end reports summarizing total expenses and accounts payable activities.
  - Assist with the annual audit by providing all necessary documentation and records.

#### 6. Guidelines for Verifying and Recording Expenses

- **Accuracy:** Ensure that all invoices are accurate, authorized, and supported by appropriate documentation before processing payment.
- **Compliance:** Adhere to company policies, payment terms, and legal requirements when processing payments.
- **Timeliness:** Process and pay invoices promptly to maintain good relationships with vendors and avoid late payment penalties.
- **Documentation:** Maintain detailed and organized records of all accounts payable transactions to support financial reporting and audits.

#### 7. Review and Revision

This SOP should be reviewed annually or as necessary to ensure it remains relevant and effective. Any revisions must be approved by the finance manager and communicated to all relevant staff.