CHECKLIST

Invoice Verification Checklist

Is your organization following a proper procedure to verify invoices?

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Introduction

Does the anxiety of making erroneous or incorrect invoice payments get you every time?

Don't worry! You are not alone. Companies around the world go through it. Invoice verification is one of the day-to-day tasks of the accounts payable (AP) team. Companies check whether the goods or services invoiced correspond to the orders and have been delivered with the proper financial accuracy.

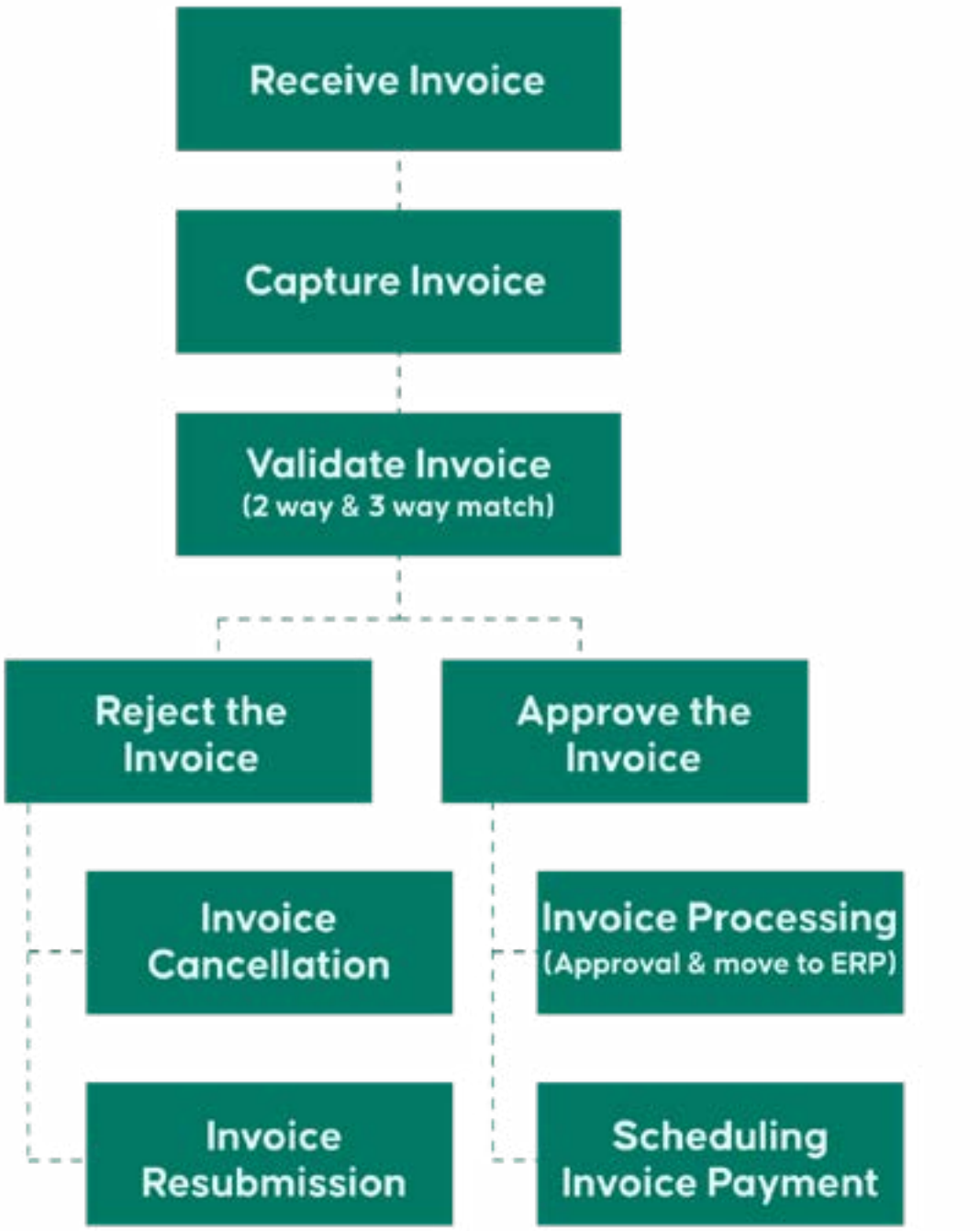
> Invoice verification checks that you got what you paid for; before making the payment to the vendor. Multiple factors influence the level at which an invoice is verified, including the priority an organization puts on for ensuring that:
>
> - the invoices are correctly rendered
> - the appetite for risk
> - the availability of tools and defined processes



Understanding Invoice Verification Process

Invoice verification ensures whether the vendor is charging companies for the products purchased or services available. It is done by matching the invoices received against the purchase order and delivery receipt. An invoice is paid only if the invoice details match the supporting documents.

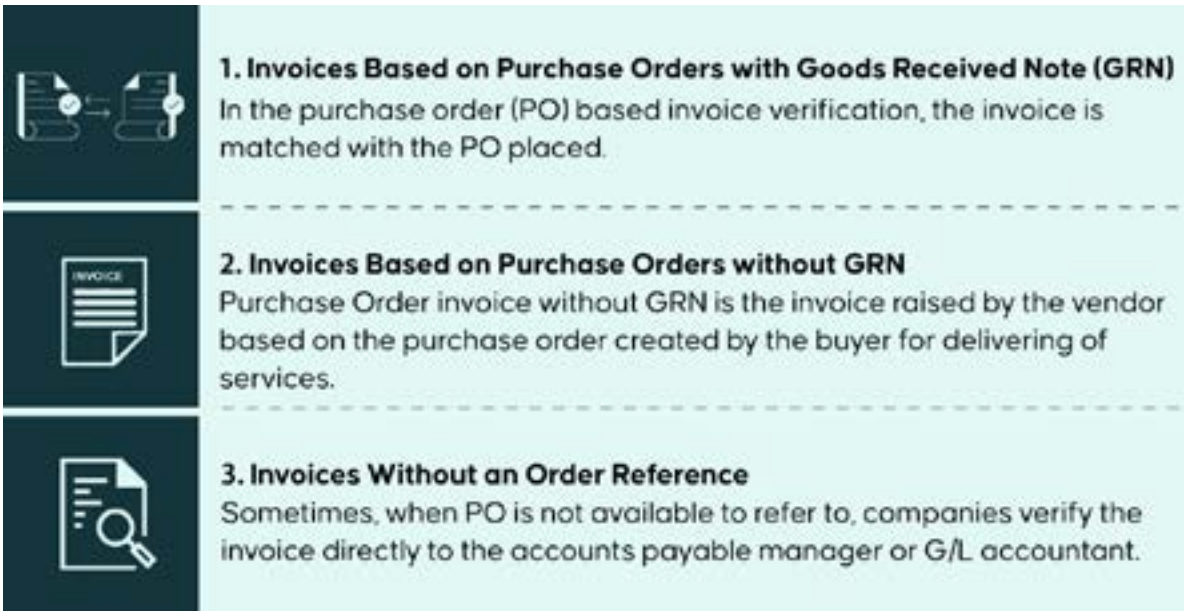
Generally, companies have dedicated accounts payable managers authorized to verify and approve an invoice payment.



Different Types of Invoice Verification

The invoice checking process depends on the nature of the trade. However, most businesses practice the following three common invoice checking methods.

Let's have a look at the same:



The most important factor is that incoming invoices are processed and verified quickly, accurately, and digitally – and that the right people are in the approval workflow. This yields immediate benefits:

- Eliminate paper and manual data entry
- Automate workflow processes and exception handling
- Reclaim early payment discounts
- Dramatically cut audit preparation time

Now that you know the different types of invoice verification and its process, you must be eager to see the steps involved. Aren't you?

Alright then, let's jump right in.

What Steps to Take Before Approving an Invoice for Payment?

So that you always have the criteria handy when you need it, we have summarized the mandatory invoice verification information in this checklist.

	Mandatory Information
	Full name and address of the service provider
	Date of issue of the invoice
	Quantity/scope and type of the delivered goods/services
	Applicable tax rate or reference to tax exemption
	Gross total (remuneration including sales tax) or divided into sums according to tax rates
	Tax number or VAT identification number of the service provider
	Unique, consecutive invoice number
	Time of delivery/service or receipt of the (partial) payment
	Pay, broken down according to tax rates and exemptions
	Reduction of the fee agreed in advance (e.g., discounts)
	Indication of "credit note" when the invoice is issued by the recipient of the service

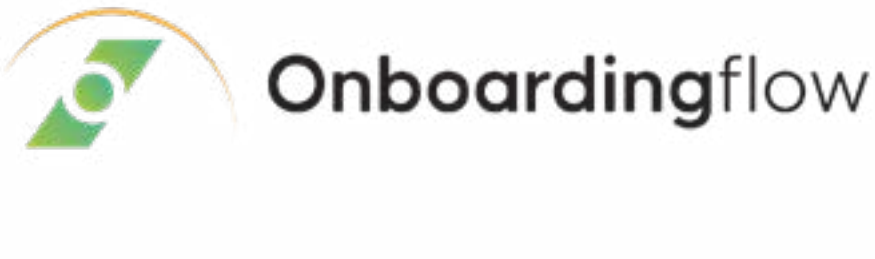
What happens if mandatory information is missing in the invoice?

If invoices are not checked correctly during an invoice verification process, it's very likely that an incorrect amount gets paid by the company.

As boring as the invoice verification step may seem, it is of great importance. But there is good news for the accounts payable team: you can automate invoice verification. There are automated solutions that check the completeness of the mandatory information and recognize errors by using 2 way and 3 way matching with the use of Artificial Intelligence. This frees you from annoying routine tasks and gives you more time for strategic work. At the same time, the entire invoice process is accelerated. Payments can be made earlier so that you can keep your suppliers happy and no longer miss out on any early payment discounts.

If the entire procure-to-pay process (i.e. from order to payment) is electronically mapped, the correctness of the content can also be checked automatically by comparing it with orders, payment plans, contracts, and incoming goods. This offers further, automated relief and an even faster process.

If you are thinking about how you can make the processes for incoming invoices and invoice processing more efficient through digitization, please **contact us**!



Frequently Asked Questions

1. What is the purpose of invoice verification?

The invoices are verified with the supporting documents, such as purchase order, order delivery receipt, and contract. This verification is done to avoid fraudulent transactions and incorrect payments.

2. How do I verify an invoice?

You need to match the invoice with the purchase order, delivery receipt, the standard sales tax, and the discounts agreed upon to verify an invoice. This may take an hour manually, especially if the invoice has been stacked for a while. Therefore, the most efficient way to verify an invoice is by using an **invoice automation solution.**

3. What documents are required for invoice verification?

The following are the documents required for the invoice verification.

- Contract
- Purchase Order
- Delivery Receipt

4. What documents are required for invoice verification?

The accounts payable manager of the company has the authority to approve an invoice for payment.

Here are the steps to follow for approving an invoice.

- Verify the invoice against the purchase order, Delivery Receipt, and Contract
- Check the invoice for discrepancies or any other exceptions such as duplicate invoice
- Approve the invoice

Are You Ready To Revolutionize AP?

Are you aware that your Accounts Payable team is wasting 24% of their workday on manual invoice processing?

Do you wish to make your AP teams strategic?

Schedule a Live Demo with Aavenir to know how to capture invoices efficiently, build smart invoice workflows, and automate 2-way/3-way validation.

If you're ready to experience the many benefits of invoice automation, give us a call at +1 408-554-2656 to learn how you can get started today.



About Aavenir

Aavenir revolutionizes age-old procurement processes with AI-enabled Source-to-Pay solutions, including RFPflow, Onboardingflow, Contractflow, Obligationflow, and Invoiceflow. Built on ServiceNow, Aavenir solutions streamline procurement, legal, and accounts payable work processes using the latest technologies such as AI, ML, and NLP to

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