

Financial training For non financial staff



The financial training specialists

Financial habits - part 2 (Budgeting, Profit)

This week we'll look at the habit of checking supplier invoices for payment.

If you're a budgetholder or manager this is probably part of your job. Your process for approving invoices for payment may be as simple as looking at it, thinking "Yes, that's okay", and approving it.

But what should we be checking when we go through this process?

I suggest that there are 6 questions to ask.

1. Did I order it? There'll be a Purchase Order number to back this up. Check they've only invoiced you for what you ordered!
2. Have I received it in full? You'll have a delivery note. But how robust is your process for checking deliveries when they arrive?
3. Is the price right? Check the quote to ensure there's no hidden extras, and that they've charged you the price they quoted.
4. Have you been given all the appropriate discounts? If there was a "Buy 2, get 1 free" or "Free delivery on orders over £xx" offer, check you've received the discount!
5. Does the invoice add up? Human error and IT glitches both contribute to this problem. If you don't want to add up everything in every invoice, check the significant figures (e.g. vary according to the size of your budget).
6. Has it been coded correctly? The coding will dictate where the expense goes in our accounts. We need reliable information to make good decisions.

Next week we'll look at the habit of invoicing promptly.