

Resolution of Discrepancies Between Purchase Order Total & Invoice Total

Section 5:5 Revised 01/01/2001

Frequently discrepancies exist between the total price shown on the Purchase Order and the total price shown on the vendor's invoice. This difference is caused primarily because of added shipping charges and changes in vendor prices. If the total variance is less than or equal to five percent of the Purchase Order total, the Accounts Payable Section is authorized to pay the amount shown on the invoice.

If the total variance between the Purchase Order and the vendor's invoice is greater than five percent of the Purchase Order total, the following procedure will be used to resolve the discrepancy:

1. The Accounts Payable Section will contact the buyer in the Purchasing Department who placed the order informing him/her of the amount of the variance and the reasons therefor.
2. If after review and discussion with the vendor the buyer is unable to resolve the discrepancy, he/she will contact the individual who ordered the item and ascertain if he/she desires to keep the merchandise and pay the added charge, or return the merchandise to the vendor. If the requesting department decides to keep the merchandise, the buyer will record the date and name of the individual authorizing the added expenditure.
3. The buyer will then notify the Accounts Payable Section to pay the invoice amount recording on the Purchase Order the name of the clerk that he talked with.
4. The Accounts Payable clerk will record on his/her copy of the Purchase Order the name of the buyer who authorized the increased payment and then process the order for payment.