STANDARD OPERATING PROCEDURE

Vendor Onboarding SOP

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Revision	1.0
Owner	Procurement Manager
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Review cycle	Every 12 months

1. Purpose

To onboard new vendors with proper compliance screening, accurate setup in financial systems, and a clear first order before relying on them for ongoing supply.

2. Scope

Applies to new suppliers of goods or services being added to the approved vendor list. Ongoing supplier performance reviews are handled by a separate process.

Definitions

Vendor code	The unique identifier assigned to a vendor in the ERP or accounts payable system.
W-9 equivalent	The tax information form collected from a vendor to support accurate tax reporting and payment setup.
Compliance screening	The check of a prospective vendor against sanctions lists, insurance requirements and other risk criteria before approval.

3. Responsibilities

Procurement Specialist	Runs the intake process, coordinates screening, and sets the vendor up in the ERP or accounts payable system.
Vendor Relationship Owner	Requests the vendor, defines the need, and manages the relationship going forward.
Compliance Reviewer	Screens the vendor for risk, sanctions and required insurance or certifications.
Accounts Payable Specialist	Verifies tax and banking information and processes the vendor's invoices once approved.

RACI matrix

Activity	Procurement Specialist	Vendor Relationship Owner	Compliance Reviewer	Accounts Payable Specialist
Submit vendor intake request	C	R/A	I	-
Collect vendor information and tax forms	R/A	C	I	C
Run compliance and risk screening	C	I	R/A	-

Activity	Procurement Specialist	Vendor Relationship Owner	Compliance Reviewer	Accounts Payable Specialist
Set vendor up in the AP system	R	I	I	R/A
Place and review first order	R/A	R	-	I

R = Responsible, A = Accountable, C = Consulted, I = Informed

4. Materials and PPE

Materials, tools and systems

- Vendor intake request form
- Tax and banking information form (W-9 equivalent)
- Compliance and sanctions screening tool
- Insurance certificate requirements
- ERP or accounts payable system
- Standard vendor contract or terms template

5. Procedure

Step	Task	Owner	Done
5.1	**Submit the vendor intake request** The vendor relationship owner submits an intake request describing the goods or services needed, the estimated spend, and why this vendor was selected.	Vendor Relationship Owner	☐
5.2	**Collect vendor information** The procurement specialist sends the vendor an intake packet requesting company details, tax information and banking details needed for payment setup.	Procurement Specialist	☐
5.3	**Verify tax and banking information** The accounts payable specialist verifies the submitted tax form and banking details for completeness and consistency before they are entered into any system. **Checkpoint:** Banking details are verified through a secondary contact method before being entered, to reduce the risk of payment fraud.	Accounts Payable Specialist	☐
5.4	**Run compliance and risk screening** The compliance reviewer screens the vendor against sanctions lists and other risk criteria, and requests any required insurance certificates or certifications for the category of work. **Checkpoint:** No vendor is approved without passing sanctions screening and providing any required insurance documentation.	Compliance Reviewer	☐
5.5	**Negotiate contract terms** The procurement specialist and vendor relationship owner agree pricing, delivery terms and service levels, using the standard contract template where possible.	Procurement Specialist	☐
5.6	**Obtain approvals** The procurement specialist routes the vendor file, including screening results and contract terms, for the approvals required by the spend level before setup proceeds.	Procurement Specialist	☐

Step	Task	Owner	Done
5.7	**Set up the vendor in the AP system** The accounts payable specialist creates the vendor record in the ERP or accounts payable system, assigns a vendor code, and enters verified tax and banking details.	Accounts Payable Specialist	☐
5.8	**Confirm the vendor record** The procurement specialist reviews the completed vendor record for accuracy against the intake information and contract before it is marked active.	Procurement Specialist	☐
5.9	**Hold a kickoff call** The vendor relationship owner holds a short kickoff call with the vendor to confirm ordering process, contacts and expectations before the first order is placed.	Vendor Relationship Owner	☐
5.10	**Place and review the first order** The procurement specialist places a first order or purchase order with the vendor and reviews delivery, quality and invoicing accuracy against what was agreed.	Procurement Specialist	☐
5.11	**Schedule a performance review** The vendor relationship owner schedules an initial performance check-in after the first few orders to confirm the vendor is meeting agreed service levels before scaling up volume.	Vendor Relationship Owner	☐

6. Quality checks

- Every active vendor has passed compliance and sanctions screening.
- Banking details are verified through a secondary contact method before entry.
- Vendor records in the AP system match the approved contract terms.
- A first order is reviewed for quality and invoicing accuracy before volume increases.

7. Records

- Vendor intake request and information packet
- Compliance screening results and insurance certificates
- Signed contract or terms
- Vendor record in the AP system with assigned vendor code

8. KPIs

- Time from intake request to active vendor status
- Percentage of vendors passing screening on first review
- First-order accuracy rate
- Percentage of vendor records with complete documentation

9. Common mistakes

- Entering banking details without verifying them through a secondary contact method.
- Skipping compliance screening for a vendor referred by someone internally.
- Setting up a vendor in the AP system before contract terms are finalized.
- Placing large orders before reviewing how the vendor performs on a smaller first order.

10. Revision history

Revision	Date	Description	Reviewed by
1.0	September 15, 2026	Initial release	Alexa Uskova

Approval

Prepared by	Approved by	Date

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