

Supplier invoice approval checklist for Xero

What to check on a supplier invoice before anyone approves it and it becomes a bill in Xero. Use it as a desk checklist, for training a new AP team member, or to agree with your accountant what “approved” means. Print it or save it as a PDF; no sign-up needed.

Updated 8 October 2026. Items marked **Tenet** are ones Tenet checks itself; everything else is for a person.

1. Capture

- ☐ It is a final invoice, not a quote, pro forma, statement or payment reminder. **Tenet**
Statements and reminders repeat invoice details and are a common source of duplicates.
- ☐ It is addressed to your company’s legal name, and to the right company if you run more than one.
- ☐ Every page is there.
- ☐ The invoice number, date, currency and total are all readable. Nothing is filled in by guesswork. **Tenet**
- ☐ Supplier invoices reach AP through one route, such as one inbox, so the same invoice isn’t entered from two copies.

2. Duplicates

- ☐ No invoice with the same supplier and number is already on record, comparing numbers without punctuation or leading zeros (INV-00042 and INV/42 are the same). **Tenet**
- ☐ No invoice from the same supplier has the same amount and date under a different number. If one does, ask whether it was reissued. **Tenet**
- ☐ Xero’s duplicate bill review is clear for this supplier.
Xero compares the contact, reference and amount of bills and credit notes, and flags possible duplicates at the top of the bills tabs.
Xero Central: Review duplicate bills or credit notes (<https://central.xero.com/0/article/Review-duplicate-bills-or-credit-notes>)
- ☐ The supplier exists once in your Xero contacts. Duplicate contacts hide duplicate bills.

3. Supplier and bank details

- ☐ The supplier is one you ordered from, and their tax ID (VAT number, ABN, NZ GST number) matches your record. **Tenet**
- ☐ The bank details are the ones you have paid before. If they have changed, call the supplier on a number you already hold before approving. **Tenet**
Invoice redirection fraud works by sending a convincing change-of-bank letter.
Pay.UK: Confirmation of Payee (<https://www.wearepay.uk/what-we-do/overlay-services/confirmation-of-payee/>)
- ☐ The first invoice from a new supplier gets a second look: who ordered from them, and is there a contract or PO? **Tenet**
- ☐ Unit prices are in line with what this supplier has charged recently. **Tenet**

4. Arithmetic and tax

- ☐ Quantity × unit price equals each line total. **Tenet**
- ☐ The lines add up to the subtotal, and subtotal plus tax, less discounts, plus freight equals the total. **Tenet**
- ☐ Each line carries the right tax rate, and tax on each line equals its amount × its rate. Mixed rates stay on their own lines. **Tenet**
- ☐ No tax is charged on exempt or zero-rated supplies, or where you account for it under a reverse charge.
- ☐ UK: it is a valid VAT invoice, with the supplier’s VAT number and, for each rate, the net amount, rate and VAT.
HMRC: VAT Notice 700, section 16 (<https://www.gov.uk/guidance/vat-guide-notice-700#section16>)
- ☐ Australia: for purchases over A\$82.50 including GST, you hold a tax invoice showing the supplier’s ABN.
ATO: Tax invoices (<https://www.ato.gov.au/businesses-and-organisations/gst-excise-and-indirect-taxes/gst/tax-invoices>)
- ☐ New Zealand: for supplies over NZ\$200 you have the taxable supply information, including your own details over NZ\$1,000 if you are GST-registered.
Inland Revenue: Taxable supply information (<https://www.ird.govt.nz/gst/tax-invoices-for-gst/how-tax-invoices-for-gst-work>)
- ☐ US: sales tax isn’t charged on purchases that are exempt for you, such as goods for resale with a certificate.

5. Purchase order and goods receipt

For suppliers you raise purchase orders with.

- ☐ The invoice quotes a PO number, and the PO is to this supplier and in the same currency. Tenet · Match
- ☐ Unit prices match the PO, within the tolerance you allow for this supplier. Tenet · Match
- ☐ Every billed line is on the PO, and freight or fees were agreed on it. Tenet · Match
- ☐ Quantities billed are no more than were received and accepted, less anything billed on earlier invoices. Tenet · Match
Partial deliveries are where the same units get billed twice.
- ☐ The invoice doesn't take the PO past its remaining balance. Tenet · Match

6. Approval and overrides

- ☐ The person approving has authority for the amount, and didn't raise the order on their own.
- ☐ Invoices above your limit get a second approval from a different person. Tenet · Match
- ☐ Where the invoice is approved despite a difference, the reason is written down: who agreed it, when, and where the evidence is. Tenet
- ☐ A rejected invoice goes back to the supplier with the reason, and a credit note is chased for anything short or damaged.

7. Into Xero

- ☐ The bill's Reference is the supplier's invoice number exactly as printed, so Xero's duplicate review can compare it.
[Xero Central: Review duplicate bills or credit notes](https://central.xero.com/0/article/Review-duplicate-bills-or-credit-notes) (https://central.xero.com/0/article/Review-duplicate-bills-or-credit-notes)
- ☐ For PO purchases, the bill is created from the approved PO with the quantity actually received.
[Xero Central: Create bills from purchase orders](https://central.xero.com/0/article/Creating-bills-from-purchase-orders) (https://central.xero.com/0/article/Creating-bills-from-purchase-orders)
- ☐ The original invoice is attached to the bill. Tenet
- ☐ Each line keeps the tax rate printed on the invoice, and the bill total equals the invoice total. Tenet
- ☐ The due date follows the invoice's terms.

General information, not tax or legal advice. Rules and Xero features change; the publisher's current page takes precedence. Tenet · tenetap.com