



What Is the 3-Way Match Process in Accounts Payable?

The three-way match process compares all incoming invoices against the purchase order and receipt bill.

- **Purchase order:** The receipt of your original order from the supplier or vendor.
- **Invoice:** Bill for services rendered or delivered goods.
- **Receipt or receiving report:** Document that describes the goods or services received.

Only after we ensure a complete match do we process any payment.

For example, suppose you order new library books to replace damaged or lost books. In that case, you will accurately track every detail of the transaction, including confirmation for goods, and confirm that everything lines up with the original order.

That's the essence of the three-way matching process in AP. When this process is mastered, it can help reduce risks related to sizable vendor orders. You can help improve the payment management process, vendor relationships, and more.