A 360° AP GUIDE

GRNI Hygiene

The hidden value in Goods Received, Not Invoiced

A FREE GUIDE FROM 360° AP

GR/IR Explained

The control that makes sure you only pay for what you actually received

1. What is GR?

GR = Goods Receipt

It confirms the buyer has actually received the goods or services from the vendor.

EXAMPLE

— Purchase Order (PO) for 100 laptops.
— Vendor delivers 100 laptops.
— Warehouse confirms receipt.
— GR is posted in SAP.

2. What is IR?

IR = Invoice Receipt

It means the vendor has sent their invoice in for payment.

EXAMPLE

— Vendor invoices for 100 laptops.
— AP team receives the invoice.
— Invoice is entered in SAP.
— This posting is the IR.

3. What is GR/IR Clearing?

Matching the Goods Receipt (GR) against the Invoice Receipt (IR).

> **If quantity, price and PO all match:**
> the GR/IR account is cleared and the invoice can go for payment.

SIMPLE FLOW

Purchase Order (PO)
▼
Goods Received (GR)
▼
Vendor Invoice (IR)
▼
GR/IR Matching
▼
Invoice Posted
▼
Vendor Payment

4. Why it matters

✓ Stops duplicate payments.
✓ You only pay for goods actually received.
✓ Catches quantity and price mismatches.
✓ Keeps the ledger accurate.
✓ Makes month-end close smoother.

5. Real-life example

— ABC Company creates a PO for 50 office chairs.
— Warehouse receives 50 chairs → GR posted.
— Vendor invoices for 50 chairs → IR posted.
— SAP compares PO + GR + IR. Everything matches → GR/IR cleared.
— Payment is released to the vendor.

KEY POINT

GR/IR is how you make sure the vendor is paid only for goods or services that were actually received and verified.

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GRNI: The Hidden Value

Goods Received, Not Invoiced — the money buried in an aged GR/IR balance

1. What is GRNI?

GRNI = Goods Received, Not Invoiced

The goods have arrived and been booked, but the vendor's invoice hasn't. The open credit balance left in the GR/IR account is your GRNI accrual — a real liability on the balance sheet.

2. Why it builds up

— Invoices that never arrive.

— Price or quantity mismatches blocking the match.

— GRs posted twice or in error.

— Returns and reversals not processed.

— Invoices posted without a PO reference.

3. Why an aged balance hurts

- ✓ Overstates liabilities and distorts accruals.
- ✓ Hides duplicates and pricing errors.
- ✓ Draws audit findings on aged open items.
- ✓ Misleads cash and working capital forecasts.

4. The value hidden inside it

- ✓ Over-accruals for invoices that will never arrive.
- ✓ Duplicate GRs inflating the liability.
- ✓ Payments made outside the PO — duplicate payment exposure.
- ✓ Unclaimed credits, returns and price variances in your favour.

GRNI LIFECYCLE

Goods Receipt posted
Dr Inventory Cr GR/IR

▼

GRNI sits open
credit balance = accrued liability

▼

Invoice Receipt posted
Dr GR/IR Cr Vendor

▼

GR/IR nets to zero — cleared

5. What that's worth

Every aged GRNI line resolves to one of two outcomes:

— **A liability released to profit** — the invoice is never coming.

— **Cash recovered from error** — a duplicate, an off-PO payment, an unclaimed credit.

KEY POINT

Aged GRNI isn't just an audit risk — it's unrealised value. The longer it sits, the harder the trail is to reconstruct. Mine it while it's fresh.

Clearing GRNI: The Fix

The manual way, and the statement-anchored way

1. The manual way

— Pull the aged GRNI report, line by line.

— Trace each item: PO, GR, invoice history.

— Chase suppliers for missing invoices, one by one.

— MR11-style clearing for the residuals.

The catch: it's slow, it ties up your best people, and it's only as accurate as the digging behind it.

2. The GRNI Hygiene Routine

AP Accurate anchors it to the supplier statement

— Every statement is reconciled against your ledger.

— Missing invoices are highlighted and requested from the supplier automatically.

— As invoices are submitted, they're matched to the GRNI entries they belong to.

3. The cutoff logic

The oldest open item on the supplier's statement sets a cutoff. Any GRNI line for that supplier with a GRV date older than that item isn't being claimed by the supplier at all.

AP Accurate highlights those lines, aggregates the value per supplier, and gives you the option to **auto write back the lot**.

4. Why that's safe

✓ The supplier's own statement is the evidence: nothing older is being claimed.

✓ Write-backs release genuine over-accruals to the P&L.

✓ Newly submitted invoices clear their GRNI entries properly.

✓ Every release carries a full audit trail.

THE ROUTINE, STEP BY STEP

Supplier statement in
reconciled against your ledger

▼

Missing invoices requested
flagged and chased with the supplier

▼

Submitted invoices matched
cleared against their GRNI entries

▼

Oldest statement item = cutoff

▼

Auto write-back of older GRNI

KEY POINT

Your supplier's own statement is the most reliable evidence of what they're still claiming. Anchor GRNI clearing to it, and writing back the old balance stops being guesswork.