

The 3PL invoice audit checklist

Check a bill against your contract, in the order that works

This is the order we work in when we reconcile a 3PL invoice against a contract: the invoice's own math first, then the prices, then the quantities. Each step tells you what to look at next, so work down the list rather than jumping around. Tick what you have checked, circle what you can't answer yet, and write down the document or export that proves each answer.

1 Before you start

- ☐ Gather the signed contract, every amendment, and any price change sent by email.
You can only check a price you can put your hands on.
- ☐ Pull three months of invoices in a row, in the format they were issued in.
Patterns show up across months that a single bill hides.
- ☐ Export the orders that shipped in those months from your store, with their ship dates.
Quantities can only be checked against your own record of what shipped.
- ☐ Get the inventory snapshot your storage is billed from, and your receiving records.
Storage and receiving are the two charges you can't check from the invoice alone.
- ☐ Find the billing dispute clause, and work out the deadline for every invoice in the set.
The deadline sets how far back you can go, so begin with the newest invoice.

2 Does the invoice add up?

- ☐ Recompute quantity times rate on every line, and compare it with the amount billed.
Rates are printed rounded, so allow for the cents before you call a line a difference.
- ☐ Add every line together and compare the sum with the invoice's stated total.
A total that doesn't match its own lines is the quickest thing to get corrected.
- ☐ Check that credits and adjustments are subtracted, not just listed.

3 Prices against your contract

- ☐ Point every charge on the invoice at the line in the contract that prices it.
You end up with three piles: priced here, priced in another document, priced nowhere.
- ☐ Set the rate billed beside the rate you agreed, charge type by charge type.
A few cents on a line billed thousands of times is the difference nobody sees by eye.
- ☐ List every charge with no price in any document, and leave it as a question.
No basis doesn't make a charge wrong, but nobody should pay one just because it appeared.
- ☐ Check the date a new price took effect against the dates of the lines it was applied to.
An increase that starts mid-month shouldn't be charged across the whole month.
- ☐ Check that volume tiers were applied, and applied over the period the contract names.
- ☐ Check that work needing written approval has it, and that the rate matches the quote.
Ad hoc labor and special projects usually need sign-off before the work starts.

4 Orders, picks and returns against your own data

- ☐ Compare the orders billed with the orders your store shows as shipped in the period.
- ☐ Look for fulfillment charges on orders that were cancelled or never shipped.
- ☐ Compare additional-item picks with the units your orders actually contained.
An order that shipped a single unit carries no additional-item pick at all.
- ☐ Check that pre-packed cartons and bundles are billed the way they are picked.
A master carton that ships as it arrived is one pick, not one for each unit inside.
- ☐ Check that returns are billed at the return rate, and counted once each.

5 Storage and receiving against your own data

- ☐ Compare billed storage with the inventory held, in the measure your contract names.
Pallet, bin, shelf and cubic foot are different prices. Only one of them is yours.
- ☐ Look for locations still billed after the stock in them sold through.
Empty positions keep billing until somebody closes them.
- ☐ Check long-term storage surcharges against how long the units were really there.
- ☐ Compare receiving charges with your own receipts, in the unit the contract prices.
A fee priced per carton and billed per unit is a mismatch, not a new charge.

6 Duplicates

- ☐ Sort the lines by order, shipment, receipt or SKU, and look for the same reference twice.
- ☐ Compare across invoices, not only within one.
The same work often reappears on the following month's bill.
- ☐ Look for one piece of work billed under two names.
Picking and handling charged on one order, or receiving that reappears inside a project fee.

7 Monthly minimums

- ☐ Read the clause that defines what activity counts toward the minimum.
Some agreements count your whole spend. Others count warehouse work and leave postage out.
- ☐ Work out the shortfall yourself for each month a minimum appears.
- ☐ Check whether the contract bills the shortfall or the whole minimum on top of activity.
The two clauses read almost the same and differ by the entire amount.
- ☐ Check that no minimum was billed in a month your activity already cleared it.

8 Pass-through shipping and surcharges

- ☐ Compare a sample of rebilled shipments with the carrier's own charge for the same parcels.
- ☐ Check that any markup is the one your contract states, and that nothing else was added.
Pass-through means pass-through, unless your agreement says otherwise.
- ☐ Recompute dimensional weight on a few large, light packages.
Dim weight is a carrier rule, it changes, and the greater of the two weights is billed.
- ☐ Check extra delivery surcharges against the carrier's current published list.
Residential, remote area, peak and fuel surcharges change during the year.

9 What to send

- ☐ Write each finding as one sentence: what was billed, what the contract says, the difference.
- ☐ Attach the proof for each: the billed line, the contract page, the figure from your system.
A claim that can be confirmed in a few minutes gets settled. One that needs digging sits.
- ☐ Check your arithmetic once more before anything leaves your outbox.
One wrong number costs you the benefit of the doubt on all the others.
- ☐ Keep a copy of what you sent, the date you sent it, and the date you'll follow up.

What to do with what you find

1. Group your findings by cause, not by line. One sentence beats three hundred rows.
2. Send one email, rather than a question every time you spot something.
3. Ask a question instead of making an accusation. Most differences have an ordinary cause.
4. Attach the evidence beside each point, and say plainly when the dispute window closes.

Overrate checks all of this against your contract automatically. getoverrate.com/check