CAYMAN ISLANDS
GOVERNMENT

IRIS AP 101:

A BASIC INTRODUCTION TO IRIS ACCOUNTS PAYABLES

INSTRUCTOR: RICARDO ROACH

CONTENTS

1. COURSE OUTLINE

IRIS Accounts Payables (AP) 101

Objectives:

- Amend and Create Vendors
- Amend and Create Supplier Sites
- Enter Invoices
- Cancel Invoices

Audience: IRIS AP Users

Pre-requisites:

- IRIS 101 Introduction and System Navigation
- Purchasing 101

Topics Covered:

1. Amend and Create Vendor
2. Amend and Create Supplier Site
3. Processing an Invoice
   3.1. Batching Invoices
   3.2. Non-PO Related Invoices
   3.3. PO Related Invoices
   3.4. Asset Invoices
4. Invoice Variances
   4.1. Price Correction
   4.2. Tolerance
5. Cancel Invoices

Multiple Choice Mini Test

This is an opportunity for the attendee to evaluate the skills learned in the course and assess if they have achieved the course objectives.

Certification

Next Recommended Course:

IRIS Accounts Payables 505

2. AMEND AND CREATE VENDORS

TREASURY IS RESPONSIBLE FOR:

- Creation of New Vendors in IRIS
  All Create Vendor forms must be completed and submitted to the Treasury Department
  at TSYPAYROLL@GOV.KY .
  In order to mitigate the creation of duplicate names, please use the correct Business
  name and/or the person's correct name (no alias)

- Amending existing supplier's name
  This may be due to change of business name

- Merge duplicate supplier's name
  This may be due to acquisitions. All Suppliers Merge are final. This cannot be undone.

END USERS ARE RESPONSIBLE FOR:

- Setting up new supplier sites
- Modifying a supplier's site address
- Modifying Accounting
- Modifying Invoice Management options (Optional)

Supplier's sites are used in both PO and AP modules and once entered/updated correctly and completely, it will default important values that will produce timely and accurate reports for Management.

3. UPDATE/AMEND/CREATE SUPPLIER'S SITE

In order to amend supplier's site you first need to find the supplier's name in the AP module as follows:

Navigator – Add Sites. (Suppliers Home webpage will be displayed).

(Note: it is a good practice to save your work before navigating out of each field(s) you have changed).

- Enter the search criteria in the appropriate search fields followed by the wild card (aka the percentage sign – (%)
  - ○ Optionally you may enter the supplier's number if it is known to you.
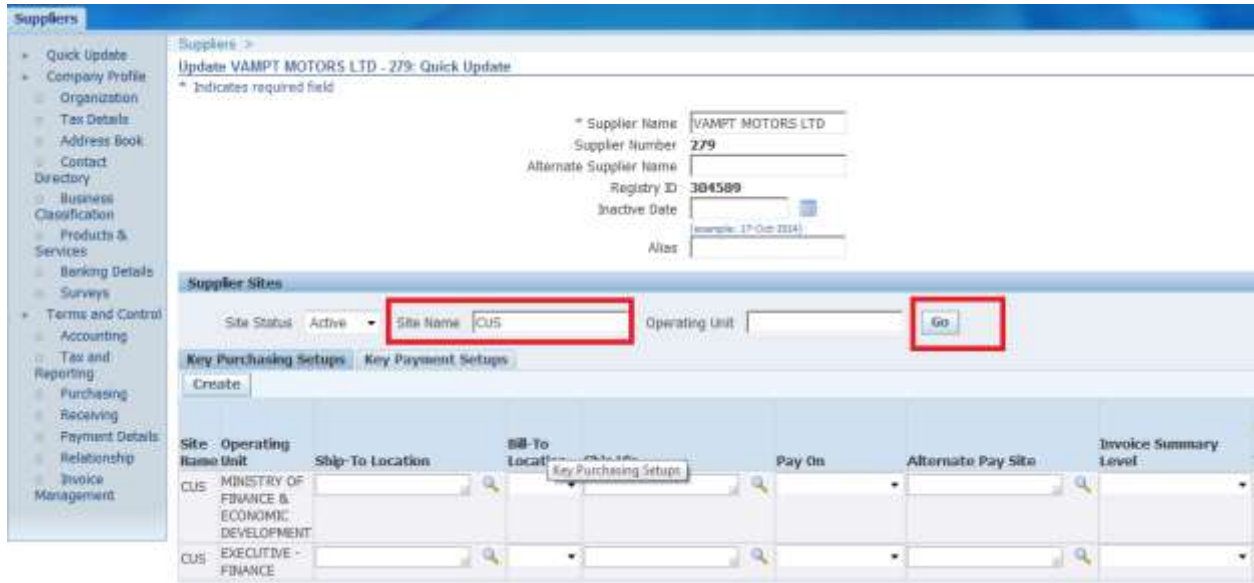- Click on the GO button.
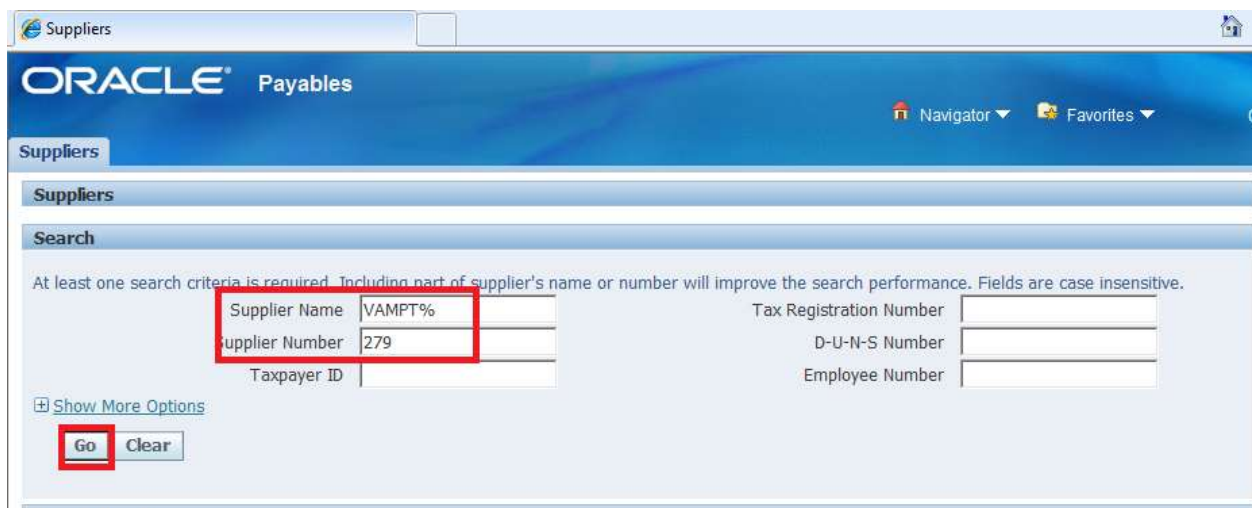
Your responsibility will allow you access to both Entity and Executive responsibilities. This gives you the ability to create both sites.

AP will display all active sites for the supplier under both Executive and Entity. You can further narrow your search to the "site name" as follows:

- Supplier's Sites: Enter department's Site Name i.e. (CUS) then

- Click on   GO button

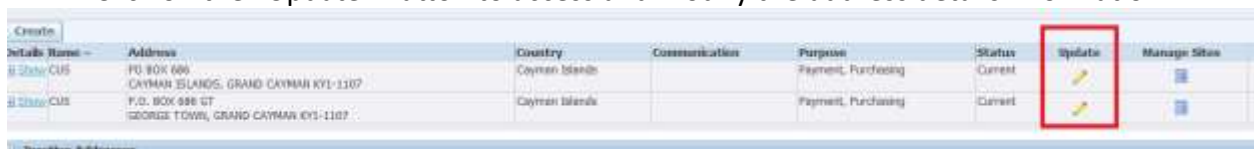- Or you may just click on the "GO" button.

Just the "GO" with no criteria search will return many site names. Please review all displayed sites to ensure the site you are about to amend is the correct one as well as the correct Ministry, Exec or Portfolio (Cost Centers/department number).

3.1 ADDRESS BOOK – UPDATE

Update suppliers address information as follows:

- Click on the "Update" Button to access and modify the address details information.

Update address Details as required. Note that all asterisks are required fields.

3.2 ADDRESS BOOK – MANAGE SITES

Click on Manage Sites to review and make changes in the appropriate fields paying special attention to the accounting options to ensure the cost center and/or Inter Org for the Liability and Prepayments are correct, especially for the CIG & SAGC suppliers.

Enable/Disable Purchasing or Pay options as follows:

- Purchasing   Allows site to be used for purchasing only.
- Pay   Allows site to be used for paying only.

NOTE: Choose both to allow the site to be used for creating PO and AP invoice.   If they are not enabled, you will not be allowed to create PO or Invoice in neither of the modules.

- Save your work before navigating out of the field(s) you have changed.
- Click on "CANCEL" to return to Manage Sites screen.

3.3 ACCOUNTING

Click on "Accounting" to access and update the Liability and Prepayments options.   Entity number will default according to the responsibility access you have, please do not change. All that needs to be entered is the Department number (Cost Center number and/or the Inter/Org segment if the supplier happens to be a CIG or SAGC customer.

Due to this setting, AP will default <u>Cost Center number and Inter/Org segments</u> number from the supplier's site Liability and Prepayments options to all new Purchase Orders (PO) and/or Invoices in the Invoice workbench for this particular site.
- Select the LOV (magnifying icon) for the Exec and/or Entity then enter or search for your departments cost center number as follows:
  - Click on "Search" button,
    - When selected (wait a little until it is selected)
  - Enable "Select"
  - Click on "Select" bottom right.
  - Save/Apply your work before navigating out of your change.

Please note the following defaults for Liability tab.

Entity   Ministry or Portfolio (do not change)

Department   Cost Center number the department is currently under (Required)

Account   20100 Liability account (do not change)

Category   Output

Project   Project Number

Inter/Org   "00" (Regular suppliers) – (Required)

Or

Inter/Org   "XX" for <u>CIG or SAGC</u> suppliers – (Required)

Future I   Future use

Future II   Future use

NOTE:

When you do a search you may not always find the code combination, therefore once you know the code combination is correct, after the search you should click on the "CREATE" button and AP will create the new code combination. (See below)

Results

Create	

Select	Code Combination
◉	41.412601.20100.000000000.0000000.14.0000.0000

You should now click on the "Select" option then click on "Select" then save/apply the change.

3.4 PURCHASING

Click on "Purchasing" from the supplier menu to access and update Ship-To Location and/or Bill-To-Locations for the Supplier Site.

Ship-to-Locations are areas/address where goods are expected to be shipped to or being delivered.

Bill-to-Locations are areas/address where bills will be received and paid.

Supplier Sites

Site Status Active ▼   Site Name [   ]   Operating Unit [   ]   Go

Purchasing Self Billing Freight

Create

Site Name	Operating Unit	Ship-To Location	Bill-To Location
OUS	MINISTRY OF FINANCE & ECONOMIC DEVELOPMENT	[ ] 🔍	[ ] ▼
OUS	EXECUTIVE – FINANCE	[ ] 🔍	[ ] ▼

- You can either do a Quick Select or a "Select – Select" once you have located the appropriate location.
- Save your work before navigating out of any field you have changed.

To find your item, select a filter item in the pulldown list and enter a value in the text field, then select the "Go" button.

Search By Description ▼ [IRIS] Go

Results

Select	Quick Select	Location Code	Description
○	📑	CSD IRIS Office	IRIS Office-Broadcasting House, 2nd Floor

About this Page

Cancel   Select

3.5 RECEIVING

Receiving values will default to PO and/or Invoice that is created for this supplier site. Important values are as follows:
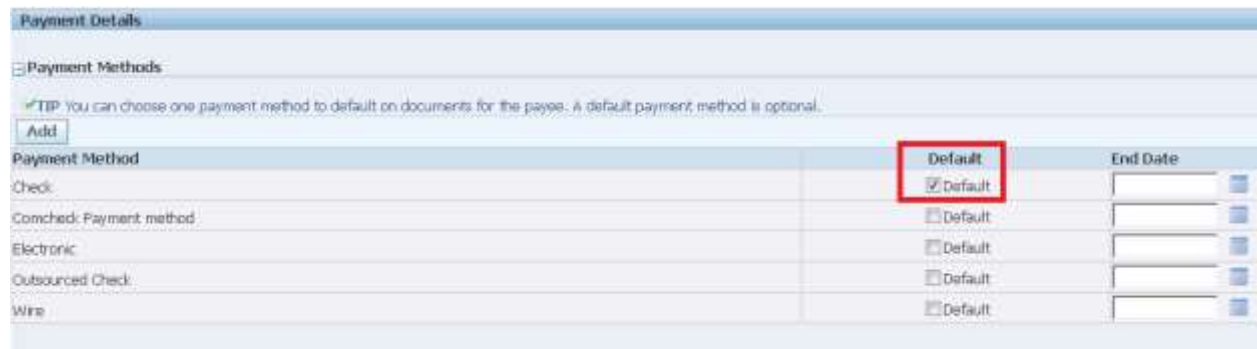
Receipt Routing	Direct Delivery (or Receipt)	(Required and should not deviate)
Match Approval Level	3-way (PO, RECEIPT/INVOICE)	(Required and should not deviate)
Quantity Received Tolerance	0	(Required and should not deviate

LTD - 279: Receiving

Enforce Ship-To Location	Warning ▾
Receipt Routing	Requires: Direct receipt ▾ 🔍
Match Approval Level	3-Way ▾
Quantity Received Tolerance	0
Quantity Received Exception	Warning ▾

3.5 PAYMENT DETAILS

- When you enable Payment Method under the supplier site, it will default to all invoices and PO you will be creating for the supplier under the AP invoice workbench.

- You may override this option when entering new invoices in the AP invoice workbench.

- Disable - indicates that the payment method will not default to new invoices or PO.

Payment Details

Payment Methods

TIP You can choose one payment method to default on documents for the payee. A default payment method is optional.

Add

Payment Method		Default	End Date	
Check		☑ Default		
Comcheck Payment method		☐ Default		
Electronic		☐ Default		
Outsourced Check		☐ Default		
Wire		☐ Default		

3.6 INVOICE MANAGEMENT

When options are Enabled/Disabled at this level, it will default to all new Purchase Orders and Invoices. These are the relevant options.

- Invoice Currency   KYD or USD – PO and/or Invoices will default the currency entered (you can override when entering PO & Inv)

- Invoice Match Option   Receipt (please do not change as this enforces the 3-way match between PO and AP (PO/RECEIPT /INVOICE).

- Terms   "30 days Net" (base value to calculate Due date of the invoice. It will provide good "Cash Flow" practice.

- Terms Date Basis   "Invoice" (base term basis on which the 30 days net is calculated).

You may override all these options when you are creating new PO or Invoice for the supplier site.

Hold from Payments   Means

- Unmatched Invoices   Will not pay any invoice that is not matched to a PO
- All Invoices   Will not pay all invoices for the supplier site even if it is matched
  & validated.
- Un-validated Invoice   Do not enable as it will not pay any invoice Validated or un-
  validated.
- Invoice Amount Limit   Optional - will not pay over the limit entered and it has to be
  manually released.
- Save/apply your work
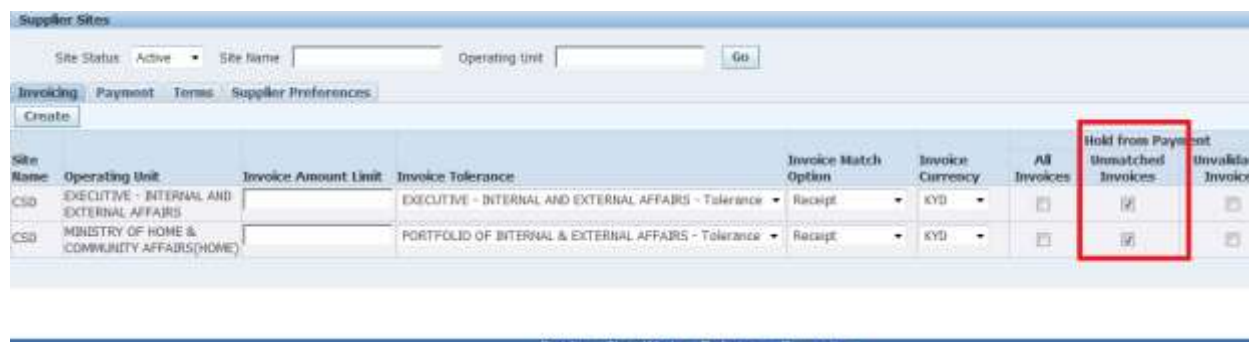
4. ENTERING INVOICE BATCHES

4.1 CIG NAMING CONVENTION

Invoice Batches refers to a process where one or more invoices are entered into the AP module providing Data Entry Users with a faster way of matching and entering invoices. CIG have provided a Batch Naming Convention that you may find useful once adhered to as it will assist you in locating a physical invoice much easier once your filing is in order. (See below)

BATCH NAME = JAN2017-1401-01-AP

Where:

   JAN   refers to the month of January

   2017   refers to Fiscal year that started on the 1st Jan 2017 and ends on 31st Dec 2017

   1401   refers to the Treasury Dept. (as per Cost Centre Description)
   01   refers to the first batch for the month of January

   AP   refers to Accounts Payables module

4.2 PROCESSING AN INVOICE

The Cayman Islands Government has classified invoices for Oracle Payables into two groups:

- Non Purchase Order related Invoices
- Purchase Order related Invoices

Non-PO related invoices do <u>NOT</u> require a purchase order. A Non PO invoice refers to invoices such as CUC bills, C & W (now LIME) bills, WATER Authority bills, lease of property, etc.

Some Ministries does require a PO to be raised for these types of invoices.
PO related invoice refers to invoices for which a Purchase Order has been created in the Purchasing module and has been properly Approved and Received in same. When entering PO

related invoices, you must use the original invoice from the Supplier as well as having the correct PO and Receipt numbers that relates to the invoice you are about to enter into the AP module. This PO should be properly received in the PO system otherwise you will not be able to match.

Oracle Payables is set to a 3-way match on all PO related invoices. This means that Invoice Validation/Approval will not validate the invoice unless it has been properly matched to a PO that has been received.

Before you begin entering invoices into the <u>Invoice Batch</u> workbench you should always ensure that the supplier's <u>name</u> is already set up by the Treasury Department and that there is a valid <u>site</u> set up with your Department's 3-letters code reflecting your cost center number. (SEE CREATE/AMEND SUPPLIERS SITES)

4.3 NON-PO RELATED INVOICE BATCH

Step 1:   Navigator - Invoices→Entry→Invoice Batches

Step 2:   Enter <u>Batch Name</u> (See batch naming convention - above).

This name will appear on the suppliers cheque stub and it helps in identifying invoices in the system as well as to locate a physical invoice batch when necessary.

Step 3:   Optional: Enter <u>Control Count</u> –Optional - this is the total of invoices you are expecting to enter into the Invoice Batch

Step 4:   Optional: Enter <u>Control Amount</u> – Optional - this is the total dollar value of all invoices you are expected to enter into the batch, Payables track variances between the Control Count and Actual Count; this happens during the process of entering invoices into the Invoice batch workbench by reducing the values under Invoice Count Difference and Invoice Total Difference.

NOTE: ONLY CERTAIN FIELDS NEED TO BE FILLED OUT. THEY MAY NOT APPEAR IN THE SAME ORDER AS SHOWN ON THIS PRINT SHOT. TO LOCATE, PRESS THE "TAB" KEY OR SCROLL TO THE RIGHT IN ORDER TO LOCATE THEM.
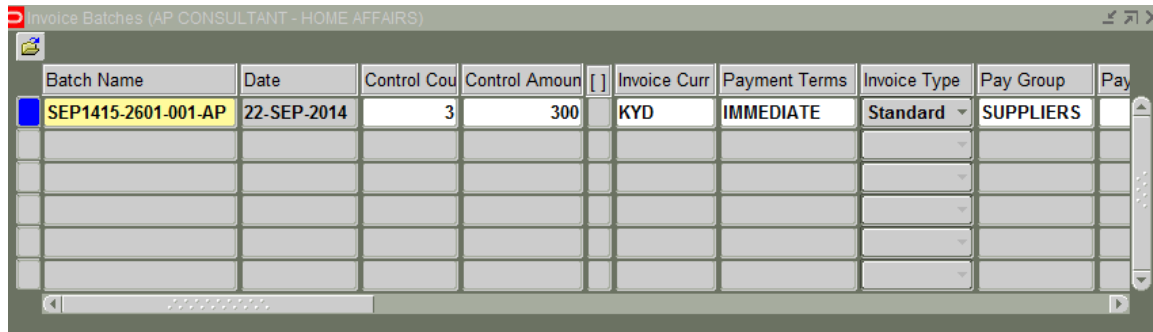
Step 5: Optional: Enter Payment Terms Usually (defaults from the suppliers site and/or PO.

Payables uses Payment Terms to automatically calculate due dates for each invoice you enter. This becomes effective after the invoice is validated. Payment term will default to all invoices under the batch if selected under invoice batches. However you may override while entering the invoice – if required to do so).

Step 6: Optional: Enter Pay Group

Pay Group groups all validated invoices and can produce payment batch based on specified pay group. Also, the pay group will default to all invoices under this batch if selected under invoice batches, if not it will default from the suppliers site set up. However you may override while entering the invoice (if required to do so).

Note: **Currently CFO submits one Payment Batch for all Pay Groups.**

Step 7: Optional: Enter Invoice Type

Standard	Defaults to Standard. Used to enter invoices that does not have a PO
Credit Memo	Use C/M to enter credit invoices received from suppliers (Negative $)
Debit Memo	Use Debit memo to enter deductions from suppliers if you have not received a credit memo from them (Negative $)
Expense Report	Optional – is used when claims from official travel expenses are entered based on prepayments or advances given to employees.
PO Default	Not normally used
Mixed	Not normally used

	Prepayment	Use Prepayment when an estimated value is being paid to an Officer who will be traveling overseas on official travel;

or

an advance on an estimate you have received from a supplier who demands a down payment prior to commence a requested work order

Step 8:	Optional: Enter Invoice Currency (will default to KYD)

Invoice Currency defaults to "KYD" as this is our local currency. You may override if the batch of invoices are for a different currency other than KYD- example USD

Be reminded that AP is not set up to print USD or GBP cheques, except in certain responsibilities.

(When entering Wire Transfers in US currency, change to USD with the correct exchange rate – if the suppliers site has not already being set up for this option)

Note: Actual Invoice Total & Count will increase gradually while Invoice Count Difference and Invoice Total Difference will decrease gradually until you have completed entering all proposed invoices into the invoices window.
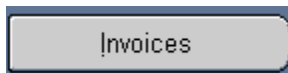
Step 9: Click on "Invoices" button to access the invoices window (bottom right of the screen)

NOTE: Below are relevant fields that should be filled out for Invoices window. They may not appear in the same order on your screen, therefore you may need to press the "Tab" key or scroll to the right in order to locate them.

Step 10: Enter Operating Unit

Step 11: Enter Suppliers name and Site (Suppliers number will default once name is selected or vice versa)

Step 12: Enter correct invoice date and invoice number (you should have the original document in hand)

Step 13: Enter correct invoice number - so as to avoid duplication of payment. Invoice number may be very long at times as per C&W & CUC.

In the case of C&W you may use the telephone number followed by the month and year, this should never repeat ever. Then, in the Description field enter the full and correct invoice number.
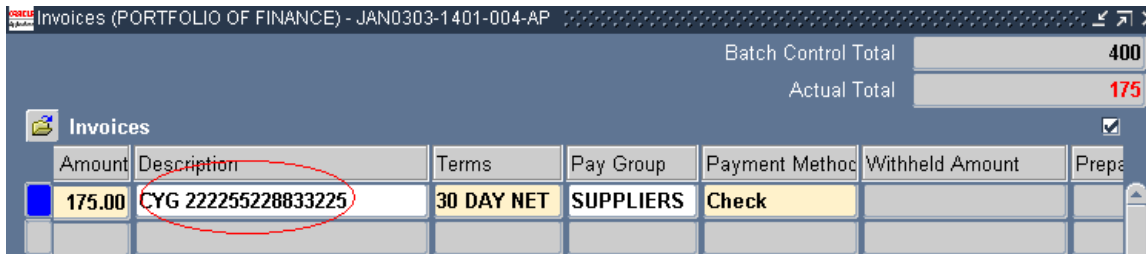
Step 14: Enter correct invoice amount

Step 15: Enter Correct Description of invoice (this will default to the GL and FA modules.
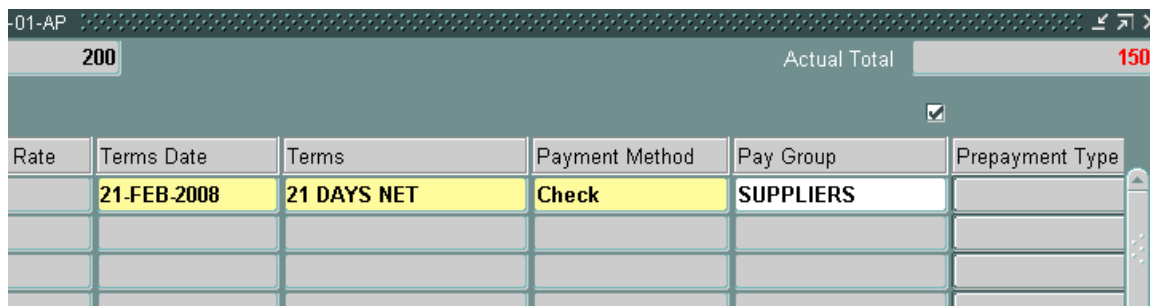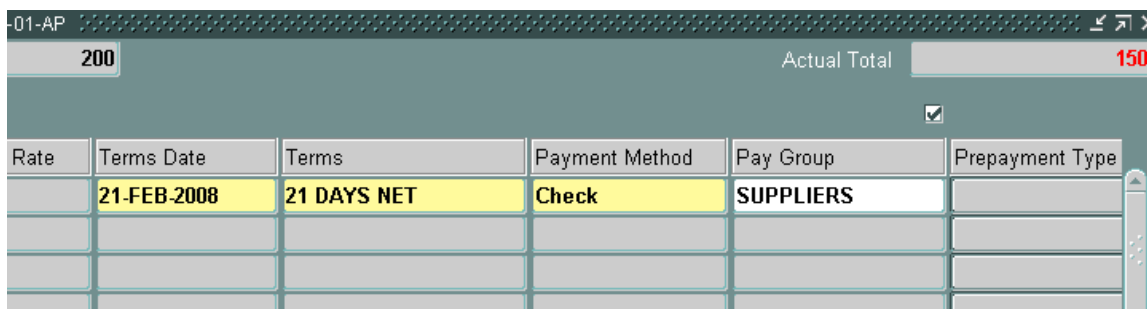
Terms Date, Terms, Payment Method and Pay Group will default from the Invoice Batch level–

You may override terms, payment method and pay group when necessary.

Be reminded that correct invoice number must be entered in order to prevent duplicate payment.

You may enter charge account by choosing one of the following:

Step 16A: Enter Amount and charge account then save your work

Step 16B   Or, you may enter:

                  Amount then

                  Choose Distribution button

                            Re-enter amount and

                            Enter distribution charge account.

4.4 DISTRIBUTION WINDOW

Step 16: Enter the correct invoice amount again

NOTE: You may allocate the invoice amount over <u>one or more</u> Distribution charge account lines.

Step 17: Enter the correct account code number which you may also distribute invoice amount over various account code combination numbers. See below illustration.

Another example of multiple accounts used with one invoice amount.

Step 18: Description: Optional - Override description if you must – defaults from invoice window.

Step 19: Save your work

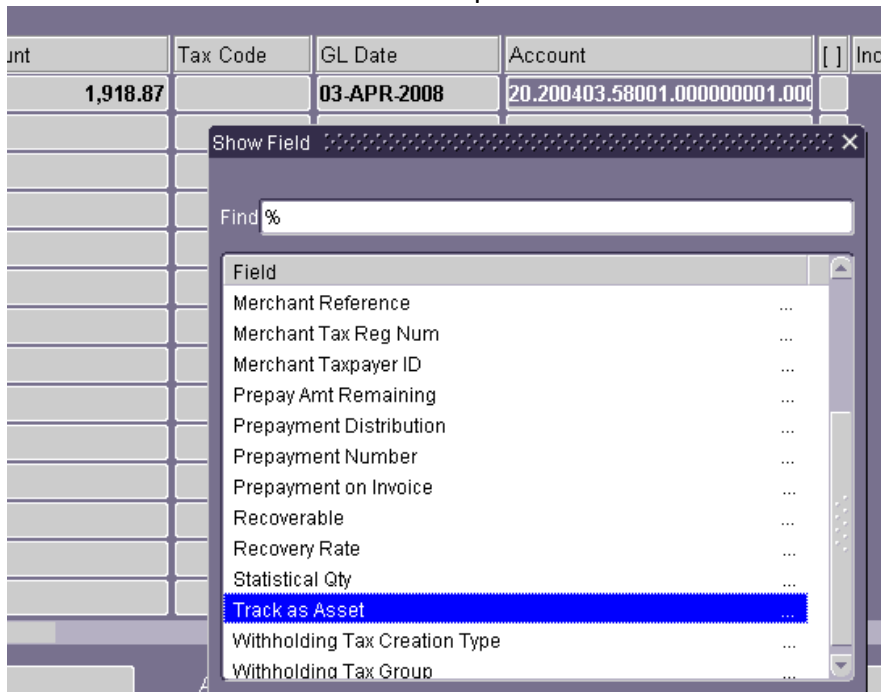## 4.5 ASSET ITEMS

Step 20: Determine if item(s) purchased are to become ASSET or not.

Note that All Capital Asset or CIP asset must use account numbers 17020 or 17021 respectively)

Step 21:   If the item is an attractive asset please select the "Track as Asset" column and enable it by Positioning your cursor on the Account Field,

Right click on mouse

Select "Folder"

Select "Show Field"

Select "Track as Asset" from the drop down list

Step 22: SAVE YOUR WORK.

Step 23: Click on "X" to exit the distribution window in order to continue entering more invoices in the invoice batch workbench.

To enter more invoices please repeat steps 10 thru 17.

4.6 PURCHASE ORDER RELATED INVOICE

3-WAY MATCHING

PO NUMBER→ PO RECEIPT →AP INVOICE

Before entering a Purchase Order Related invoice you should ensure that the following are met. Failing to do so will prevent the invoice from being validated.

- PO "must" have a valid Receipt number #)
- Determine if items purchased are to become an asset.

(Capital Asset or CIP asset must use account numbers 17020 or 17021 respectively at the time PO is issued)

Step 1:   Navigator - Invoices→Entry→Invoice Batches

Step 2:   Select Operating Unit.

(Located at the far right end of Invoice Batches window/scroll bottom bar to locate)

Step 3:   Enter Batch Name (See batch naming convention - above).

This name will appear on the suppliers cheque stub and it can help to identify invoices in the system as well as to locate a physical invoice batch when necessary.

Step 4:   Optional: Enter Control Count –Optional - this is the total of invoices you are expecting to enter into the Invoice Batch

Step 5:   Optional: Enter Control Amount – Optional - this is the total dollar value of all invoices you are expected to enter into the batch, Payables track variances between the Control Count and Actual Count; this happens during the process of entering invoices into the Invoice batch workbench by reducing the values under Invoice Count Difference and Invoice Total Difference.

NOTE: ONLY CERTAIN FIELDS NEED TO BE FILLED OUT. THEY MAY NOT APPEAR IN THE SAME ORDER AS SHOWN ON THIS PRINT. TO LOCATE, PRESS THE "TAB" KEY OR SCROLL TO THE RIGHT IN ORDER TO LOCATE THEM.

Step 6: Optional: Enter <u>Payment Terms</u> (defaults from the supplier's site set.).

Payables uses Payment Terms to calculate <u>due dates</u> for each invoice based on the invoice date. It becomes effective after the invoice is validated.

Payment term will default to all invoices under the batch if selected under invoice batches. However you may override while entering the invoice if required.

Step 7: Optional: Enter <u>Pay Group</u>

Pay Group groups all validated invoices and can produce payment batch based on specified pay group. Also, the pay group will default to all invoices under this batch (if selected under invoice batches, if not it will default from the supplier's site set up. However you may override while entering the invoice (if required to do so).

Note: Currently CFO submits one Payment Batch for all Pay Groups.

Step 8: Optional: Enter <u>Invoice Type</u>

Standard   use Standard to enter invoices that are not PO related

Credit Memo   use C/M to enter credit invoices received from suppliers (negative $)

Debit Memo   Use Debit memo to enter deductions from suppliers if you have not received a credit memo from them (Negative $)

Expense Report: it is used to enter claims from advances/prepayments given due to official travel or even an advance to a supplier.

PO Default   Not normally used

MIXED   Used to match invoices against an Approved and Received Purchase Order

Prepayment   use Prepayment when an estimated value is being paid to an Officer who will be traveling overseas on official travel;

or

an advance on an estimate you have received from a supplier who demands a down payment prior to commence a work order

Step 9: Optional: <u>Invoice Currency</u>

Invoice Currency defaults to "KYD" as this is our local currency. You may override if the batch of invoices are for a different currency other than KYD- example USD

Be reminded that AP is set up to print only USD & KYD cheques.

If you select US currency, you must select an exchange rate. – if the suppliers site has not already being set up for this option)
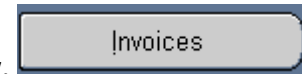
Step 10:   Click on "Invoices" button to access the invoices window.

Step 11   Click on "PO Number" field then enter & select the PO number from the LOV, click on OK button

AP will display suppliers name, number and site.

Step 12: Enter Invoice Date, Invoice Number, Invoice Amount and Description as per invoice information

In R12, PO lines and PO Receipt Lines are "very" unique. Even though the receipt number may be the same, the receipt line must also be valid when matching to PO. For this reason, you should carefully select the correct receipt line(s) as invoice validation process validates all lines requirements as well as the tolerances before validating the invoice. If it does not meet these requirements AP will place a HOLD that will require correcting before it releases the hold.

| Step 13 | Click on tab 2Lines then |
| Step 14 | Enter Amount for PO line you are going to match against. |

Step 15   Select PO line, PO Shipment, PO Distribution, Receipt #, Valid Receipt Line, Quantity you are matching to (you may have ordered 2 but have only received 1)

Step 16   Unit Price will default as per the Unit Price of the PO line

If the Unit Price of the PO is different from Invoice Unit Price – you should use the Unit Price of the Invoice. This will be a "Price Variance" please see Price Variance/Correction manual.

Step 17   Save your work

NOTE:
AP will not allow changes after you have matched the PO to the invoice

If mistake is made, you MUST discard the line by clicking on the "Discard Line" button that will reduce the amount to zero.

YOU MUST CHOOSE A NEW LINE TO RE-ENTER, if required.

4.7 ALTERNATE PO MATCHING

You may also match Invoice to a PO as follows:

See steps 11 and 12
- Click on "Quick Match" button at the bottom of the screen.
    - AP will display the PO number
- Click on Find button.

AP may also display a note when payment terms used on the invoice batch is different from terms used on the PO — Click on OK button. You may change or override in the invoices workbench if necessary.   AP will not prevent you from successfully matching the invoice.

- Click on OK
- Enable the Match option then Optionally enter
    - Qty Invoiced
    - Unit Price, (if different from PO Unit price).

o   Match Amount (if different from PO Line Amount.
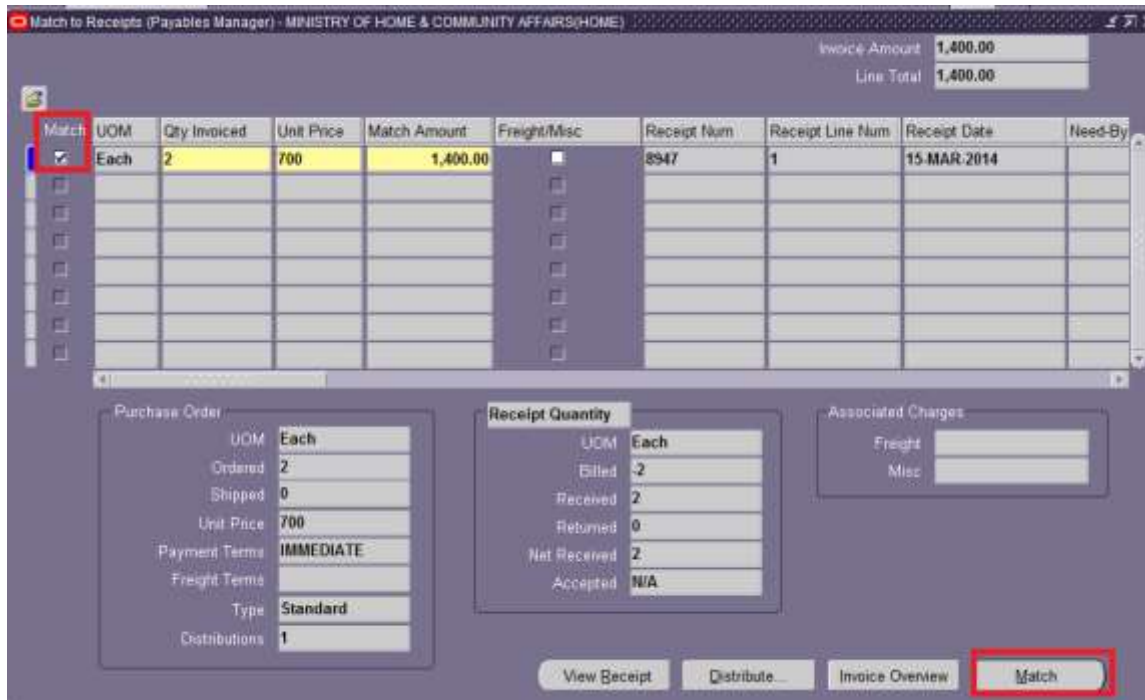
CAUTION: AP will display all Receipt numbers even though the number may have been returned or invalid. You must ensure that the "Receipt Number" you are matching to has not being returned by reviewing the PURCHASE ORDER and RECEIPT QUANTITY displayed below the section as per on the above screen shot to ensure the following:

"Ordered" qty is not already "Billed"
"Received" qty has not been "Returned"
"Net received" is not the same qty that is already "Billed"
"Net Received" qty is the qty you have received and is matching against.

- Click on "Match" button at the bottom right as per above screen shot.

NOTE: AP will populate the invoice distribution lines with the PO lines amount and distribution values (except the account segment that must default to "20160" (which is the Accrual Trade payables – system only account number)

YOU CAN VIEW THE MATCHING RESULT AS FOLLOWS:

Step 14.A   Click on Distribution button.

Note that PO COST CENTRE should have defaulted from the PO and the AP ACCRUAL EXPENSE DISTRIBUTION ACCOUNT 20160 a/c Trade payables account for all matched PO's.

NOTE that the "expense" charge account number was transferred to the GL when the PO was received and GL now has it accounted as an "Actual" amount. (Amount fully taken from the budget)

Payables will not Validate/Approve any invoice if there is even a Distribution Variance of .01 ct. (Invoice = Distribution). Correcting variances is done via Price Correction.

> **NOTE: Treasury Dept prohibits the practice of returning a PO Receipt number as it interferes with the fiscal year balances. However, if for any reason you had to return the PO receipt number Purchasing will give you a new receipt number after it has been re-receipted which you must select during the matching. The returned receipt number would become invalid and cannot be used.**

4.8 ENABLE INVOICE AS ASSET

VERY IMPORTANT TO REMEMBER:
When account numbers 17020, 17021 for Fixed Asset are used during the creation of a PO, AP will automatically default the Track as Asset option.
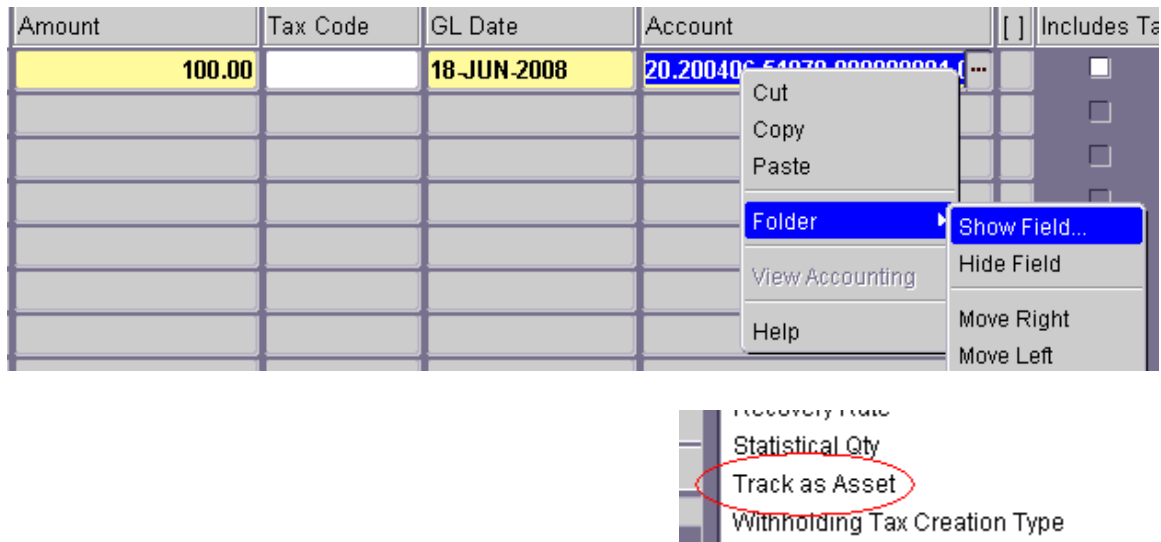
However, when an Attractive asset is purchased using an expense account you MUST

remember to enable or tick "Track as Asset". **. It is not displayed on the Distribution window.**

TO DISPLAY"TRACK AS ASSET" FIELD YOU SHOULD
Right click on the mouse, then select "Folder →Show Field" then select Track as Asset **from the drop down listing.**

NOTE:
BE REMINDED THAT WHEN PO IS MATCH AGAINST AN INVOICE IT WILL HAVE THE TRADE PAYABLES 20160 ACCOUNT ON THE AP DISTRIBUTION LINE INSTEAD OF THE CHARGE ACCOUNT SO, IF THE CHARGE ACCOUNT IS WRONG IT HAS TO BE CORRECTED IN THE GENERAL LEDGER.

Step 15   Click on "X" to exit the distribution window in order to continue entering rest of invoices.

Follow steps 10-14

## 4.9 MATCHING INVOICES WITH INVOICE TYPE "STANDARD"

Invoices entered as "Standard" can still be matched to a purchase order. This is not a good practice as you may find yourself entering the distribution amount and account numbers then trying to match. This action will place another distribution line that will cause a duplicate entry in the distribution window. (Payables will place a hold until you reverse the first Distribution entry.

Step 1   Enter PO number or enter Supplier's name, site, invoice date, amount and description
Step 2   Click on "Quick Match" button**.**
Step 3   Enter Po Distribution line, Receipt number.
Step 4   Override Unit price if AP invoice unit price is different from PO unit price.
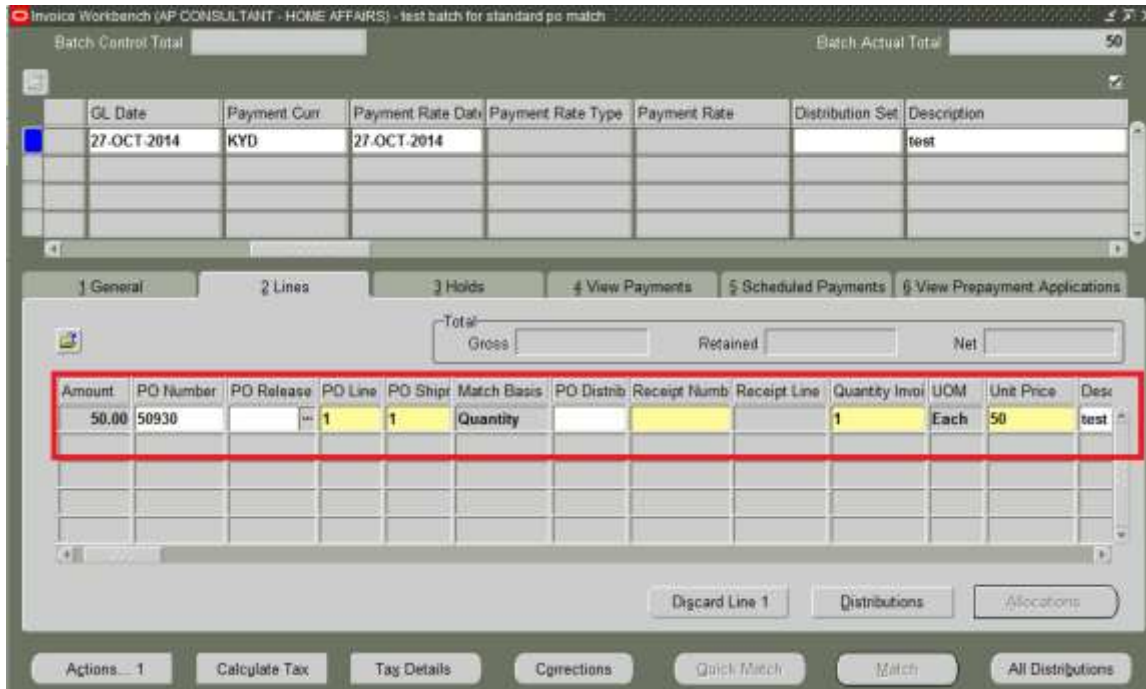
You can also manually match Invoice to PO by clicking on the Match button (bottom right).

PO number will default in
Click on "Find button to display the usual screen
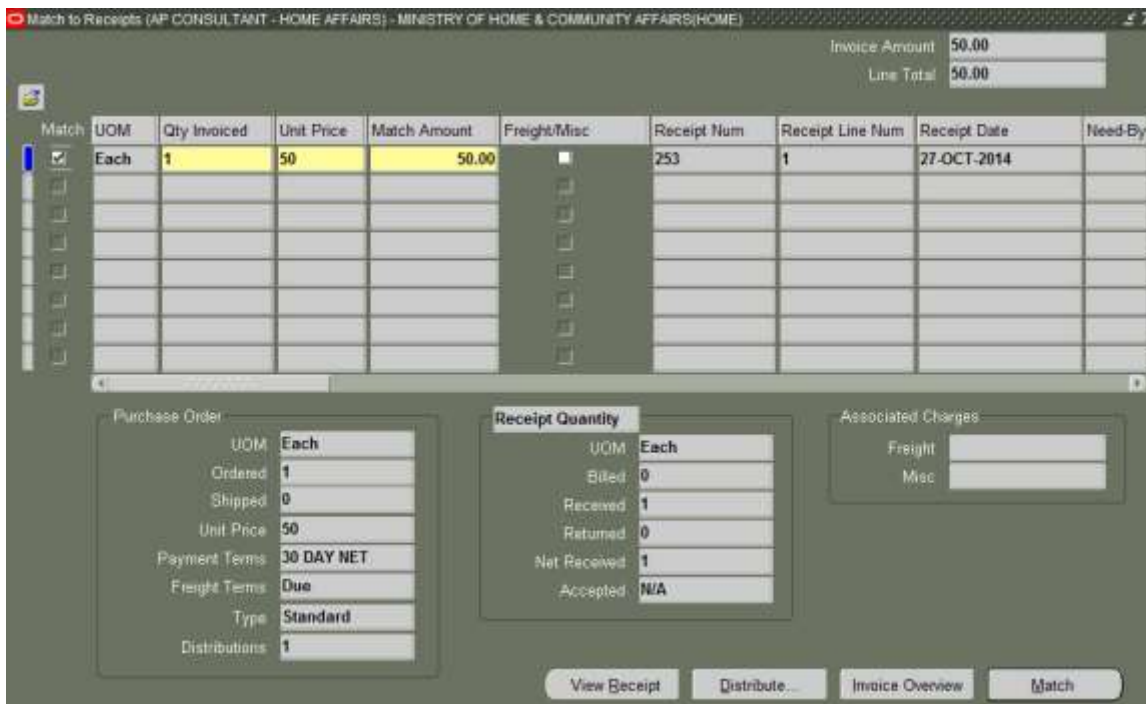
Match to Receipt window will display PO information.

Step 4 Enable "Match" option found on the left hand side of the line you are requiring to match
Step 5 Enter the Qty Invoiced you are requiring to match

Pay close attention to the "Purchase Order" Summary and the "Receipt" Summary found right below the matching options.

NOTE: The Treasury Dept. prohibits the practice of returning a PO Receipt number.

However, if for any reason you must return the Receipt number with the objective to correct and receive again, Purchasing will assign a new receipt number that you must select during the matching process.

Note that the returned receipt number will become invalid and cannot be used to match again as the quantity received will be zero.

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5. PRICE VARIANCE/CORRECTION

AP is set up to efficiently deal with differences between PO price and AP invoice price. In order to record and account for these differences the following is an example of how it should be entered into the AP system.

Example: PO # 49353 has been created in the amount of $600.00 containing two lines.

Line # 1	Qty = 1	$500.00
Line # 2	Qty = 1	$100.00
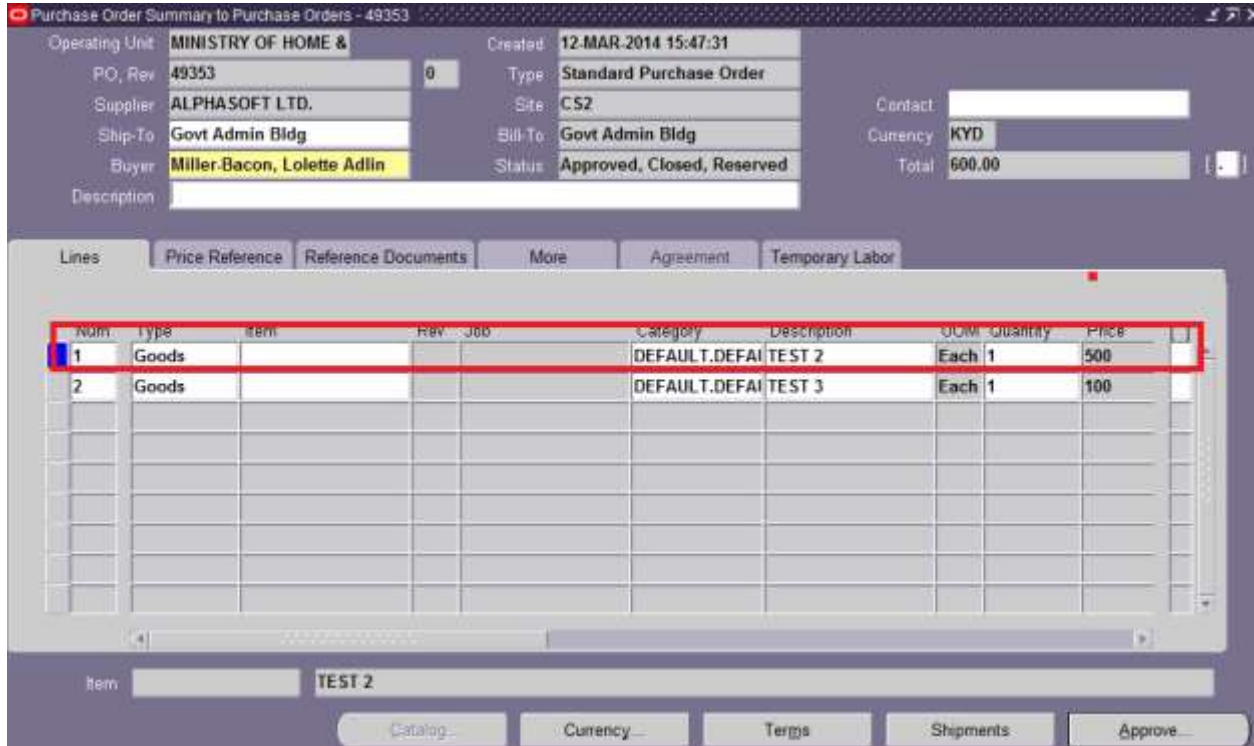
Supplier sent invoice # 7896 in the amount of $650.00. AP Officer identified that the difference in price occurred on Line # 1 of the PO and have decided to enter the invoice in spite of the Price increase.

When recording difference in price between the PO and the Invoice amount, during the matching in AP it is important to not only look at the amount of the invoice but also the PO Lines to determine on which line(s) the difference occurred.

Below screen shots illustrates the matching procedure when there is a difference. Note that this example pertains to an increase in AP invoice price over the PO unit price.

(This principle is also applied when there is a decrease of the AP invoice price compared to the PO unit price.   Hence, AP will not place a hold if the PO is less than the invoice price.)

Create invoice Batch as usual, select Invoice type as "Mixed" then click on Invoices to access the Invoices window.

1. Enter PO number and tab

2. Enter Invoice Date, Invoice Number &

3. Enter Invoice Amount

4. Click on 2 Lines tab

5. PO LINE # 1

6. Enter Invoice Amount for PO line # 1

7. Select PO Number, PO Line, PO Shipment, Receipt Line, Receipt number, etc.

8. Unit Price will default as per PO, Change/Enter amount for Unit Price as stated on Invoice. i.e. $550.00

9. PO LINE # 2

10. Enter Invoice Amount for PO line # 2

11. Select PO Number, PO Line, PO Shipment, Receipt Line, Receipt Number, etc.

12. Unit Price will default as per PO (if this also had a change, change/enter as per invoice.
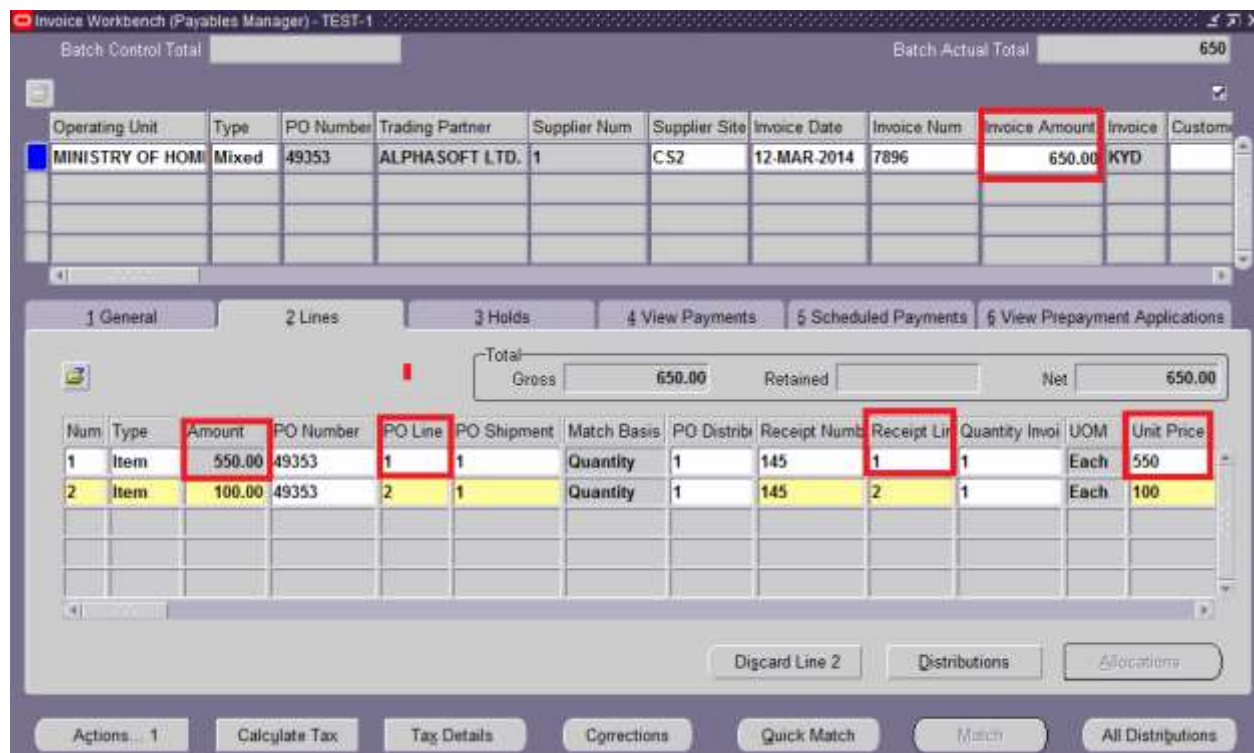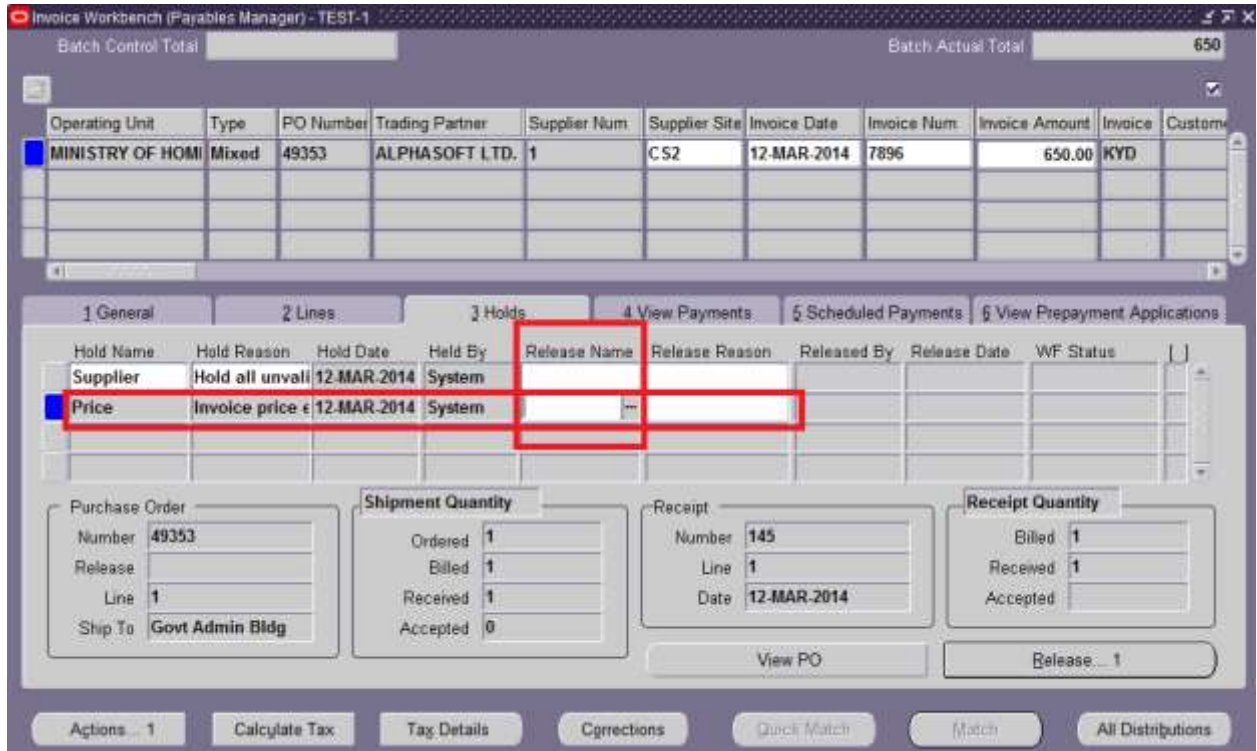

If the Invoice Price/amount is greater than the PO Price/amount, AP will place a HOLD that currently has to be manually released after the Manager reviews the increase in price and AGREES to pay the invoice in spite of the increase.

5.1 RELEASE HOLD ON INCREASE OF PRICE VARIANCE

1. Click On the "Holds" tab

2. Click on the LOV on the "Release Name" option for the Price Hold name.

3. Select Match Override

AP will immediately release the hold and will "Validate" the invoice without you having to re-validate.

AP will not place Hold on invoice if the variance is a decrease in price.
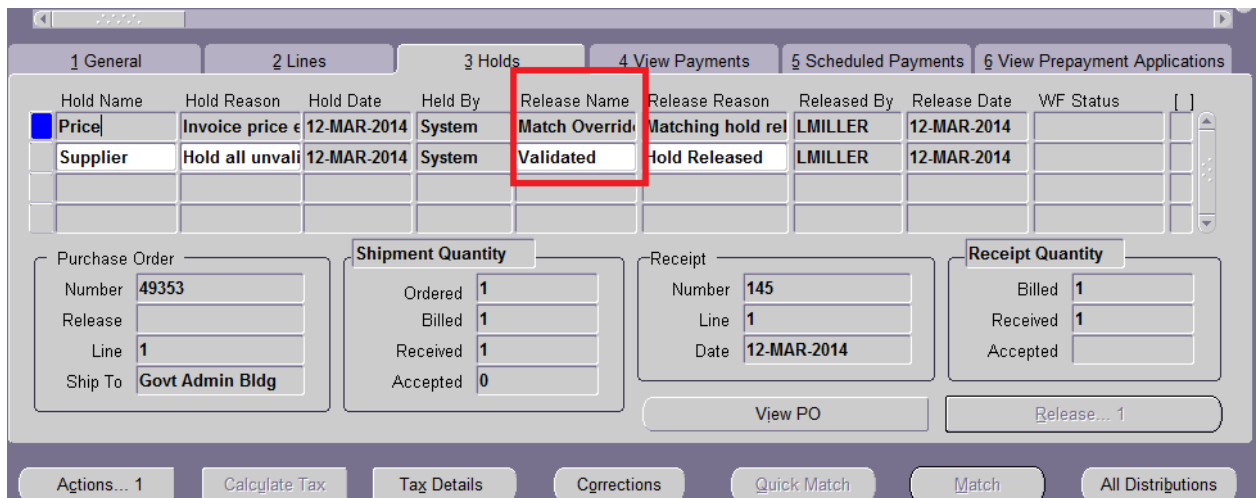
Click on 2Lines Tab

- Select Distribution Button

AP Distribution window will display the Invoice Price Variance while selecting and displaying the charge account that the PO was initially created with.

6. CANCELLING INVOICES

CRITERIA TO CANCEL AN INVOICE

1. You can cancel a:
   o   Never validated invoices.
   o   Approve invoice that **has not** been paid or
   o   Approve invoice that **has not** been selected in a Preliminary Payment Batch.

2. If an invoice has a hold that prevents posting, <u>you must</u> release the hold, approve the invoice then cancel the invoice**.**

3. You cannot cancel an invoice that has been selected into a payment batch.

4. You cannot pay or adjust a cancelled invoice.

When payables cancels an invoice, it sets the invoice amount to zero, sets all scheduled payments to zero and reverses all invoice distributions and any matches to purchase order shipments and distributions however it does NOT CANCEL THE PO. Payables also submits Approval for the invoice and if there are no accounting holds on the invoice, it updates the status of the invoice to "Cancelled"

6.1 CANCEL AN INVOICE:

You can only cancel an invoice if the status is "Validated" and there is no valid cheque number attached to it.

Step 1:   Navigator – Invoices – Entry – Invoice Batches
Step 2:   Click on the Find Option on toolbar or press F11
Step 3:   Enter criteria of the batch. Example %FEB0809-2601-001%
Step 4:   Click on the find button or press Ctrl+F11 keys
               The entire batch will be displayed.
Step 5:   Click on the "Invoices" option

Step 6:   Find the "Validated" invoice in the invoices window

Step 7:   Choose "Actions …1" button

Step 8:   Select "Cancel Invoices" then choose OK button

Step 9:   Save your work.

You cannot undo an invoice that has been cancelled. You may need to re-enter the invoice again by using another invoice number.