



CAYMAN ISLANDS  
GOVERNMENT

**IRIS AP 505**  
**AN INTERMEDIATE IRIS ACCOUNTS PAYABLES COURSE**

INSTRUCTOR: RICARDO ROACH

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## COURSE OUTLINE

IRIS Accounts Payables (AP) 505

### Objectives:

- Validate Invoices
- Query Invoices
- Prepayments

**Audience:** IRIS AP Users

### Pre-requisites:

IRIS Accounts Payables 101 Training

### Topics Covered:

1. Validate Invoices
2. Query Invoices
3. Prepayments
  - 3.1. Invoice – Advance/Prepayments
  - 3.2. Apply/Un-Apply
    - 3.2.1. Money Owed to Government
    - 3.2.2. Money Owed to Employee
    - 3.2.3. Un-Apply Prepayment
    - 3.2.4. Cancel Prepayment

### 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.

### Next Recommended Course:

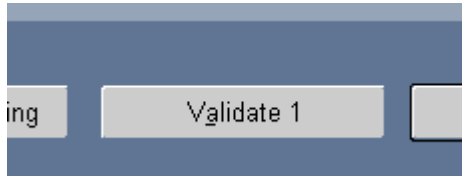
IRIS Accounts Payables 909 Training

## VALIDATE/APPROVE INVOICE

Managers and CFO's are the only two responsibilities authorized to validate or approve invoices by using either one of the two below options.

### 1. "Invoice Batches" window (Validation of the entire batch)

- Step 1: Navigate to the invoice batches window
- Step 2: Press "F11" key then enter the batch name
- Step 3: Press "Ctrl+F11" keys together
- Step 4: Select "Validate 1" button
- Step 5: Select "OK" button (Concurrent manager will process your request)



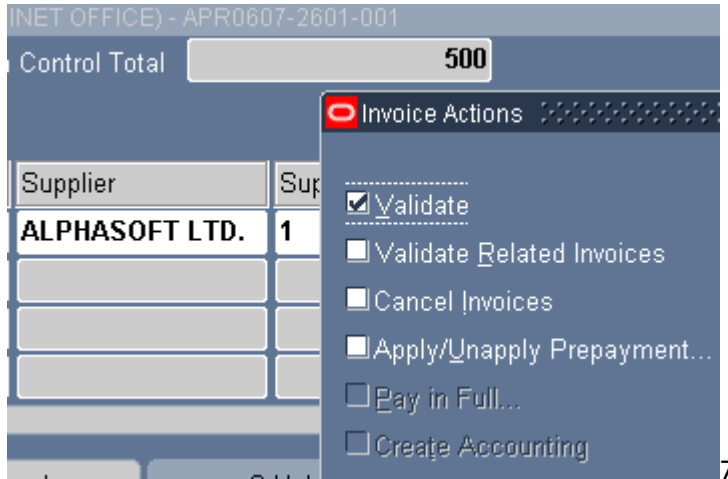
### 2. "Invoices" window (validation of individual invoice at a time)

- Step 1: Navigate to the invoice batches window
- Step 2: Press F11 key then enter the batch name
- Step 3: Press Ctrl+F11 keys together

Step 4: Select “Actions ... 1” button

Step 5: Enable “Validate” options

Step 6: Click on “OK” button



Step 7: Review Invoices window to see Status of invoice.

### INVOICE ENQUIRY

Some Suppliers may call enquiring about the status of their outstanding invoices. Oracle Payables enables you to perform various types of enquiries based on any type of criteria you may have of the supplier at the time e.g. Supplier’s name or invoice number or amount, dates, currency, etc.

You do not have to fill in all below illustrations.

Step 1: Navigate to: Invoices→Entry→Invoices

Step 2: Enter Supplier’s name or any other related information of the supplier such as: Site, date, amount.

Step 3: Calculate Balance Owed  
 AP calculates how much is owed to supplier.

Find - AP finds all invoices pertaining to the search criteria.

Oracle payables displays all information requested in your search and much more as it will also display the cheque number if the invoice has been paid.

## PREPAYMENTS

### WHAT IS A PREPAYMENT?

A prepayment is a type of invoice you enter to make an advance payment to a supplier or an employee. For example, you need to pay a deposit on a lease, or pay an employee an advance for his/her expected travel expenses.

The Supplier may reduce the invoice amount by the amount of the prepayment. You will see more of this feature in newer versions.

You can enter two types of prepayments: Temporary and Permanent.

**Temporary Prepayments:** MUST be applied at a later date to either a Standard Invoice(s) or Expense Report(s) you receive in order to clear the Prepayment amount advanced that was paid at an earlier date.

You may **apply** the prepayment to one or more Standard Invoices or Expense Reports you receive from the supplier or employee to offset the amount paid to them. The Supplier might send an invoice that references a prepayment. (The pop up notice will let you know if they do not make reference to a prepayment.)

Example #1: You issue a Temporary Prepayment to pay a hotel a catering deposit. When the invoice arrives, you apply the prepayment to a Standard Invoice to reduce the invoice amount.

Example # 2: You issue a Temporary Prepayment to pay an employee for travel expenses that he/she does not know the exact amount he will be using during his overseas travel. It is an estimate only, for this reason it is paid from an advance account (12008 which is considered an Asset as it is money owed to Government)

Temporary Prepayments invoices remains with a status of "Available" UNTIL you apply the full amount of the prepayment item distributions to one or more invoices. You should review the **CIG Prepayment Status Report** and/or **Excel format** on a regular basis to check the status of all prepayments in Payables.

**The moment you select a supplier that has outstanding prepayments, AP will immediately notify you of the number of prepayments that are outstanding. AP will not automatically apply the prepayment(s) to any invoice.**

After you have properly applied a prepayment to a Standard or an Expense Report Invoice, Payables creates a negative amount prepayment type in the Invoice Distribution window for the invoice and reduces the prepayment’s available applicable amount.

**Permanent Prepayment: You cannot apply to invoices.**

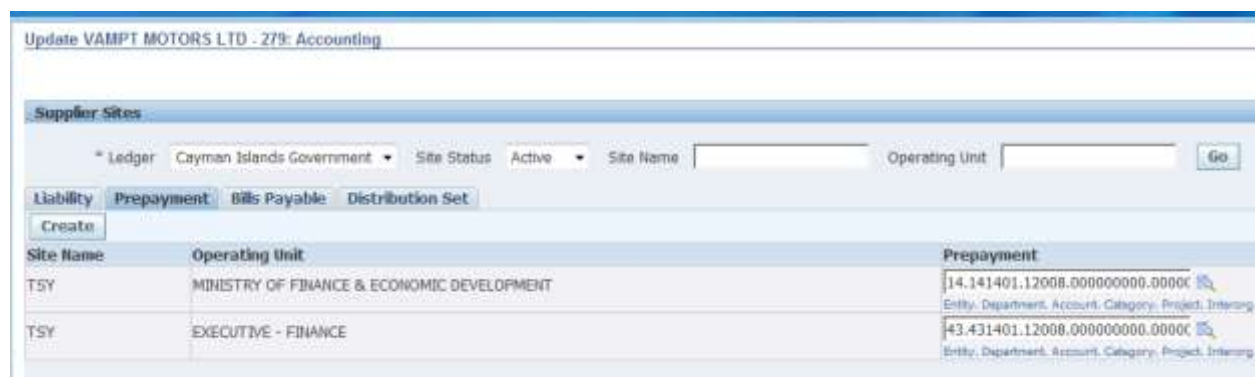
Example: You use a Permanent Prepayment to pay for a lease deposit for which you do not expect to be invoiced.

**(Cayman Islands Government does not use or encourage this option)**

PREPAYMENT ADVANCES

Suppliers/Employee’s Site:

Supplier’s or Employee’s site should reflect the cost center from which payment or advance payment is to be made from. These settings should have been added when the supplier site was initially created.

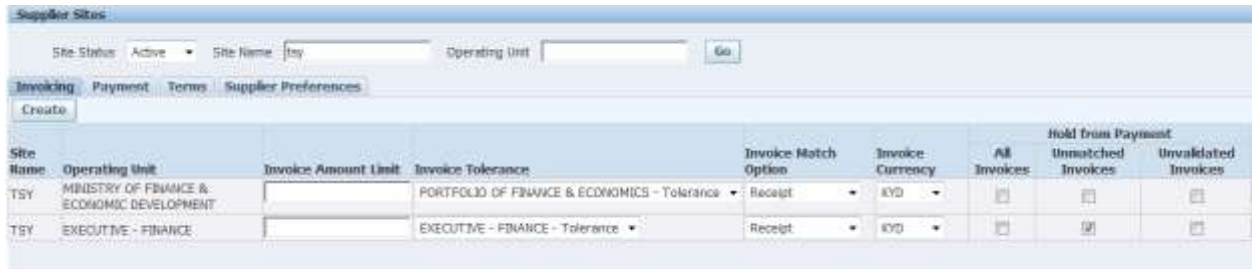


You may not require a PO for invoice type “Prepayment” therefore you may disable hold name called “Hold Unmatched Invoices” from the supplier’s site.



However, there may be Suppliers that you may need to advance payment in order for them to start a new job, AP will allow you to also match PO against an Invoice type “Prepayment”.

Optionally you may disable the Hold – Unmatched Invoices option as per below if you do not require a PO.



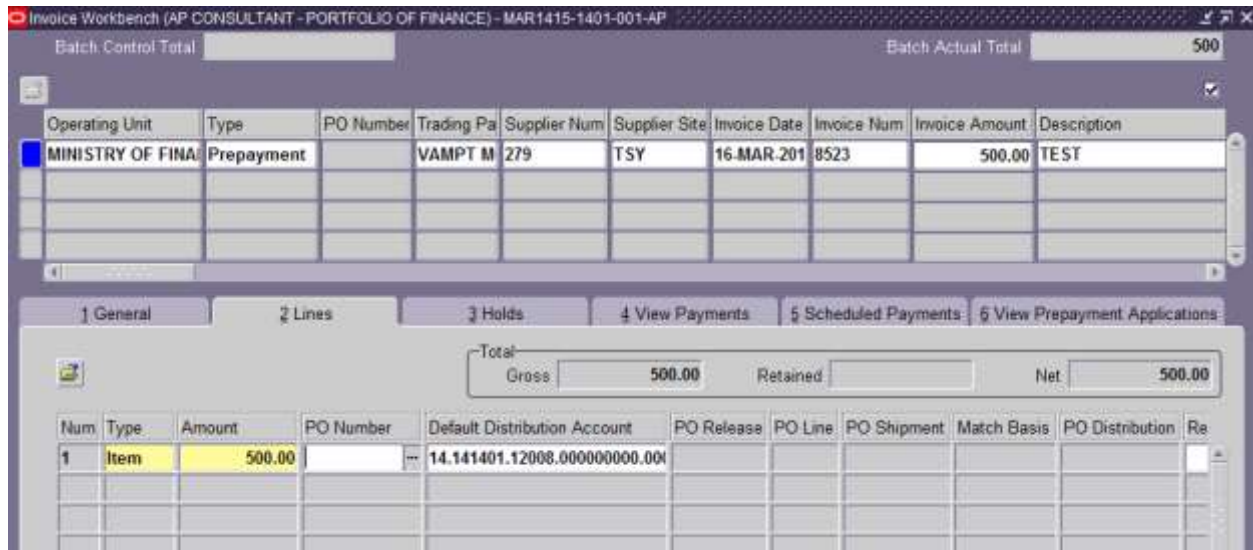
### PREPAYMENT INVOICES

Prepayment Invoices are entered the same as all non-purchase order invoices, except for the invoice type that must be set to “Prepayment”.

- Step 1: Enter a unique batch name as per naming convention
- Step 2: Enter control count, control amount, payment terms, pay group, currency, etc.
- Step 3: Invoice Type must be “Prepayment”
- Step 4: Prepayment type: defaults to **Temporary** once you select the invoice type as Prepayment)
- Step 5: Settlement Date (AP defaults to 7 days after the cheque date).

All values for Terms, Group, Currency and Type will default to all invoices in this new batch. You may override to another type if there is a need.

Step 6: Click on “Invoices” to access invoices window.



Step 7: Select employee/Supplier’s name then enter site, date, invoice number, amount and description, as shown on above snap shot. Prepayment type and Settlement Date will default to what is set at the Org level. You may override if you wish.

Step 8: Select 2 Lines and enter Amount only. Distributions values will default to the Default Distribution Account field. After you have saved the entry, you may click on the distribution window to view the Distribution entry.

Note that you currently have access to override the prepayment account number, however, please note that when the prepayment is later applied to an invoice, the full account code combination will be reversed in order to clear the invoice type payment “Prepayment”

Step 9: Save your work

Step10: Approve the invoice

Step11: CFO will cut a cheque using a Payment Batch or by TSY via a Quick Cheque.

If prepayment is given to an Employee/Officer or supplier, he/she or the supplier needs to return valid receipts or invoices that will show the reason/validity of their advance or expense.

The Officer or supplier may spend more or he/she or supplier might spend less of what was initially advanced.

The accounts officer must work out and get approval of the following:

- How much is still owed to the officer or supplier
- How much has to be returned to the Government
- What Was the expense equal to the advance given

Whichever of the above three, note that ALL prepayments MUST/HAS to be applied to an invoice before it will be removed from the outstanding prepayment listing.

#### APPLY/UNAPPLY PREPAYMENTS

Officer or Supplier will later return from his overseas travel and/or presents all receipts or an invoice to the Accounts Officer in charge who reviews the receipts ensuring that they are in accordance with Governments requirements concerning travel expenses/advance Payments.

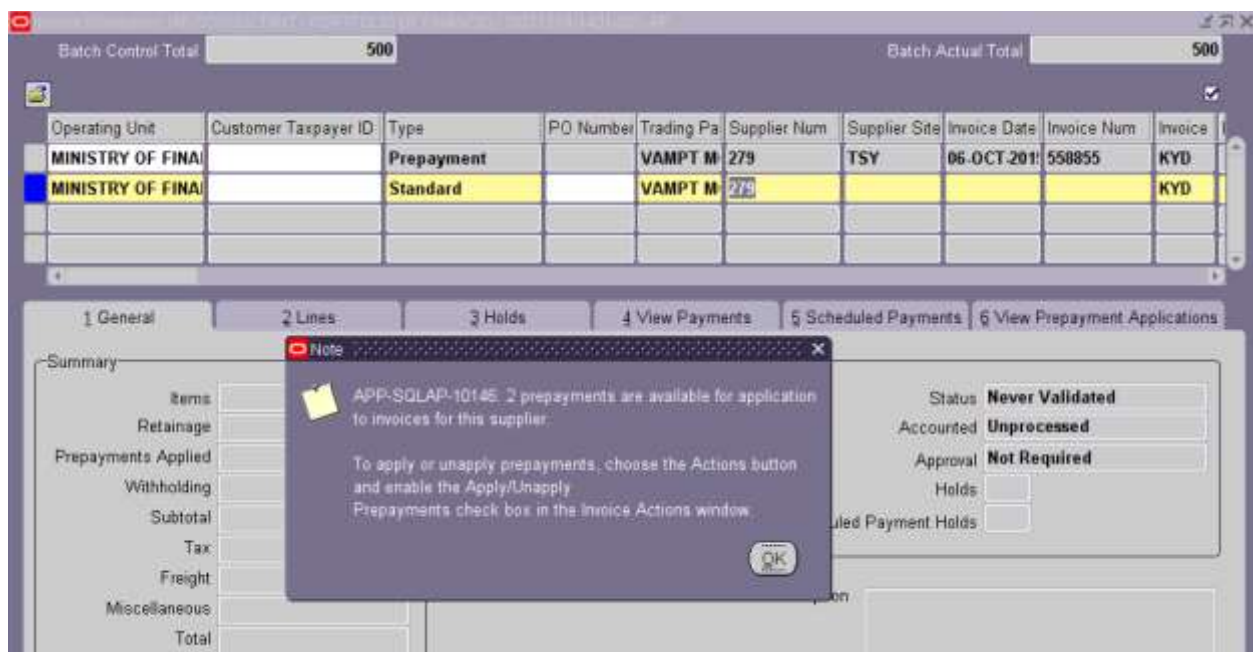
After the officer reviews all required receipts or invoice from Officer's travel adventure/or supplier invoice, the Officer should determine the amount owed to the Government or the amount owed to the Employee/supplier as he/she might have spent more than what was advanced to him or he/she may need to return money to Government.

#### EMPLOYEE/SUPPLIER OWES MONEY TO GOVERNMENT:

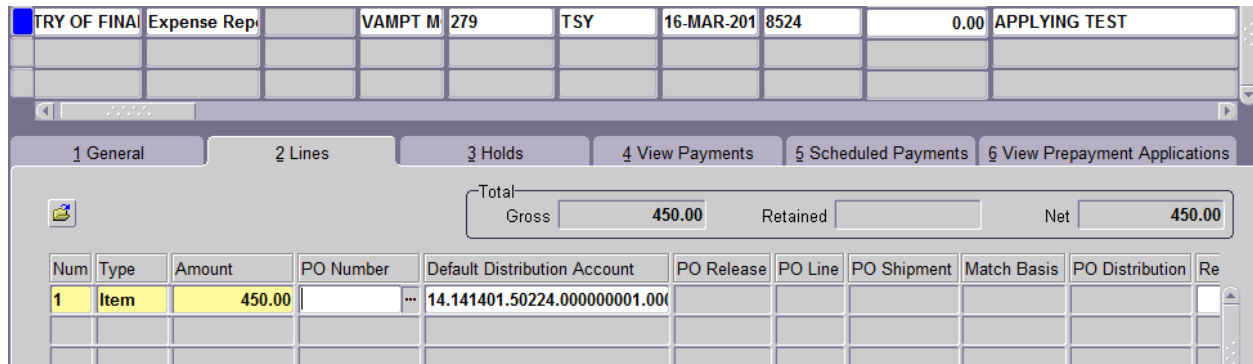
Employee used less than the amount advanced to him therefore he needs to return the unspent portion back to the Government funds.

By now the Accounts Officer should now know what portion to allocate to the Expense account and what amount to pay back into the advance account. **(Remember – Prepayment/Advances needs to be cleared off the books as it is considered an asset owed by the employee to the Government at this point)**

- Step 1: Create a new “Invoice Batch”; as stated under section for Non-PO related invoice section **(EXCEPT the invoice amount that should be zero (0))** then click on Invoices.
- Step 2: Invoice “Type” should be set to either Standard or Expense Report.
- Step 3: Select Officer’s name or Supplier name then tab, payables will alert you as to how many prepayments that is outstanding for the supplier or employee that has not been cleared as yet.



- Step 4: Click on Ok (This is a notification only – the system will not apply it for you)
- Step 5: Enter Suppliers Site, Invoice date, Inv. Number (this may be destination/date employee travelled), etc.
- Step 6: Enter zero (0) as the amount of the invoice.



- Step 7: Click on 2 Lines tab then enter the expense account or you may click on the Default Distribution Account and enter distribution amount and accounts.
- Step 8: Enter actual amount spent to the expense account.
- Step 9: Enter unused portion of Officer’s advance back to the advance account (prepayment should have been paid from this advance account)



**NOTE**

Unused portion is later deducted from the Officer either from his salary (by a request to the Payroll Officer in charge) or collected and receipted through AR in the form of cheque or cash. If it were a supplier, the un-returned portion will not be cleared until it is recuperated by another invoice.

For Employee, either method you choose it MUST hit the same advance account (12014), because

1. Payroll Deduction element is linked to the employees cost centre along with the 12014 advance account and/or
2. AR Memo Lines for Official travel should also be linked to the 12014 account.

**END RESULT WHEN ALL TRANSACTIONS REACHES GL IT SHOULD BE NULL**

SEE BELOW PRINTS TO DEMONSTRATE HOW PAYROLL AND ACCOUNTS RECEIVABLES ARE SET UP.

Payroll Element Deduction Link

Element Name: Official Travel

Description: Official Travel

Classification: Voluntary Deductions  Standard

Eligibility Criteria

Organization: [ ] Group: .GCM.

Job: [ ] Position: [ ]

Grade: [ ] Location: [ ]

Employment Category: [ ] Payroll: [ ]

Salary Basis: [ ]  Link To A

Costing | Qualifying Conditions | Miscellaneous

Costable Type

Not Costed (A)  Fixed Costed

Costed  Distributed

Distribution Set  T

Costing: ..12014.000000000....

Balancing: PR.000000.10103.00000

AR Memo Lines

Step 10: Return to Invoices window

Step 11: Click on “Actions...1” button.

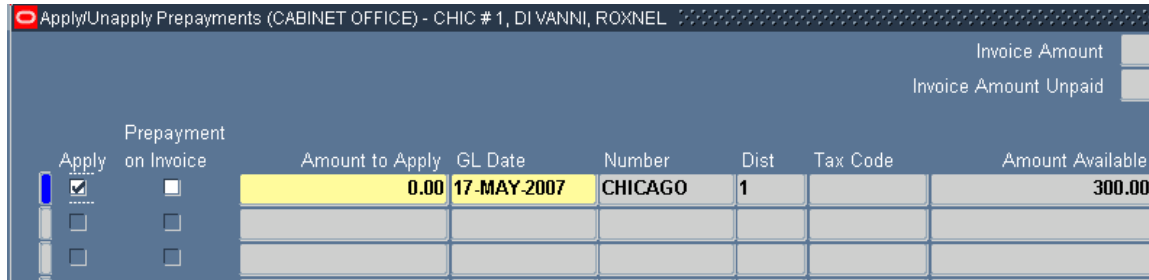
Type	Supplier	Supplier N	Site	Invoice Date	Invoice Num	Invoice C	Invoice Amount	Description
Expense	DI VANNI, ROXNEL	25393	IRIS ADMIN	17-MAY-2007	CHIC # 1	KYD	0.00	CHICAGO 15-17/5/07 , OAUG

Step 12: Enable “Apply/Unapply Prepayment.”

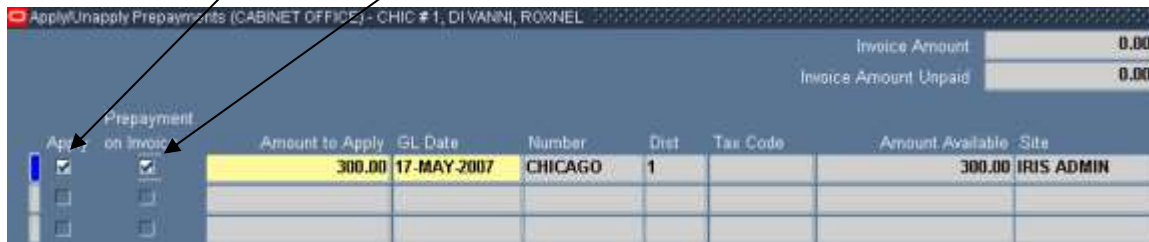
Step 13: Click on “OK” button (AP will display all unapplied prepayment for the employee or supplier)

**CAUTION**

If you only enable “Apply”, AP will only apply the prepayment up to the amount of the value of the invoice.

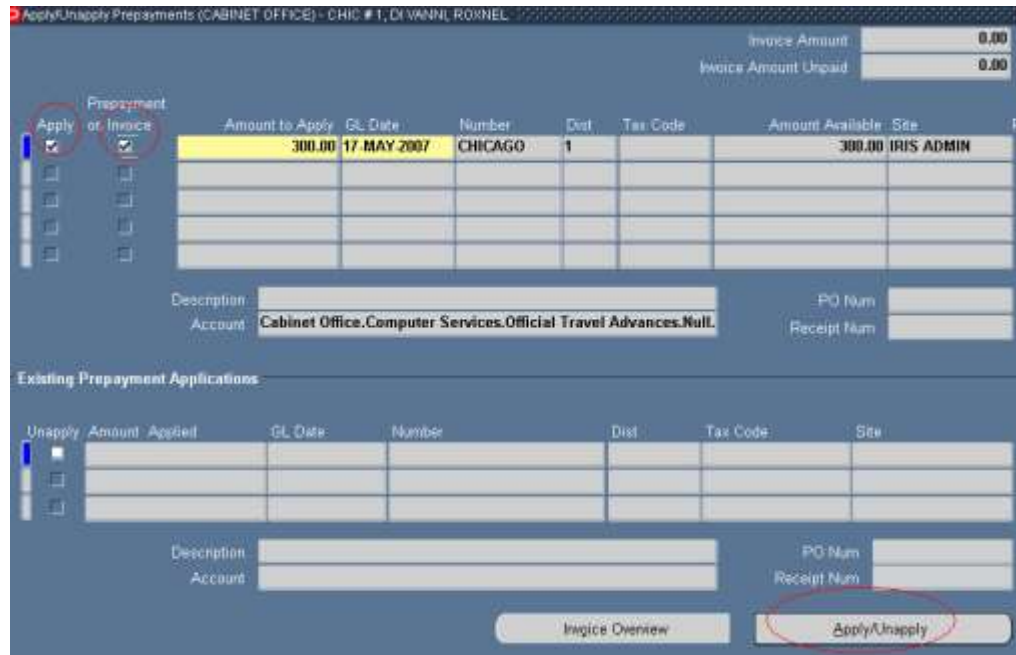


You MUST enable both: 1st “Apply” + “Prepayment on Invoice” options. AP will display the total value of the selected prepayment where you can choose to apply a portion or the full amount of the advance.



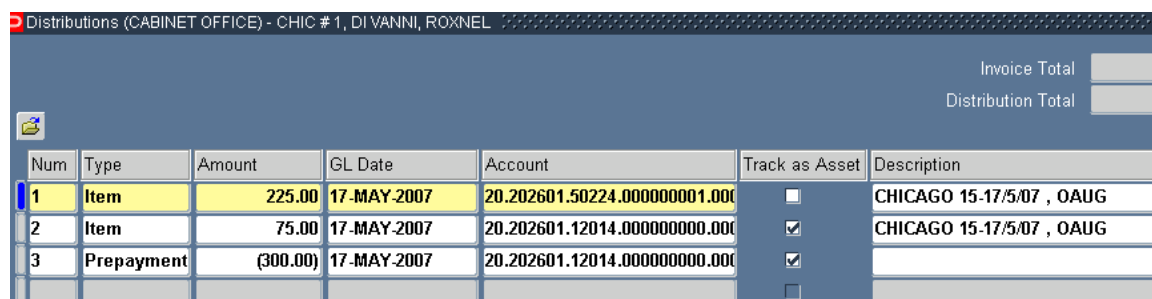
Step 14: Enable “Apply” + “Prepayment on Invoice” options. (Amount cannot exceed the prepayment amount advanced).





Step 15: Click on “Apply/Un-apply” button (bottom right of the said window)

After applying the above prepayment, AP automatically enters a credit in the Distribution window for the applied prepayment amount clearing/reversing the advance prepayment account-leaving it with a null balance. This signifies that the amount is no longer outstanding as a prepayment for the employee or the supplier and will not pop up in the invoices window when his name is entered for future payments.



**NOTE:** Account used for the unused portion of \$75.00 should also be the same account used when receiving the money either through AR system or Payroll as a deduction as explained next.

Step 14: Save your work

Step 16: Approve your batch/Invoice –

(Both Distributions will be transferred to the GL as Debits.)

The first line rightly to the expense account and the second line will await the Credit entry from either the Payroll or the AR modules where it will clear the unpaid balance to Zero.

GOVERNMENT OWES MONEY TO THE OFFICER OR SUPPLIER

There will be occasions when Officer/Supplier may spend more than the amount advanced to him/her. Once it is in accordance with Government’s requirements you should now proceed to update your AP module with the NOW REAL/ACTUAL EXPENSE AMOUNT as follows:

- Step 1: Create a new “Invoice Batch”; as stated in NON-PO RELATED INVOICE BATCH section under Processing and Invoice then click on Invoices. (Amount of the invoice is the amount overspent by the employee – Difference between the prepayment and the actual expense)
- Step 2: Select supplier’s name or Officer’s name then tab, payables will display how many prepayments that are available for the supplier/employee.
- Step 3: Click on Ok (This is a notification only – the system will not apply it for you)
- Step 4: Enter suppliers site, invoice date, number (this may be employee’s destination and date)
- Step 5: Enter amount to be refunded to the employee or supplier (for this EXAMPLE \$100.00 (the employee spent \$100 more than the amount advanced to him) and description.

Type	Supplier	Supplier N	Site	Invoice Date	Invoice Num	Invoice C	Invoice Amount	Description
Expense Rej	POWELL, INGRID	40079	IRIS OFFICE	17 MAY 2007	AUST-14-17/5	KYD	100.00	AUSTRALIA OAUG - 14-17/5/07

- Step 6: Navigate to the Distribution window then enter the full amount used by the employee (this example \$600.00 and the expense account number to which you want to allocate the full expense cost. This may be Official Travel expense account #50224 (if this is the case – or, you may want to allocate to the Training vote instead).

Num	Type	Amount	GL Date	Account	Track as Asset	Description
1	Item	600.00	17-MAY-2007	20.202601.50224.000000001.000	<input type="checkbox"/>	AUSTRALIA OAUG - 14-17/5/07

Step 7: Save your work

Step 8: Return to Invoices window

Step 9: Click on “Actions...1” button then select “Apply/Unapply option then click on Find button

Payables will display all outstanding unapplied prepayments for the employee.

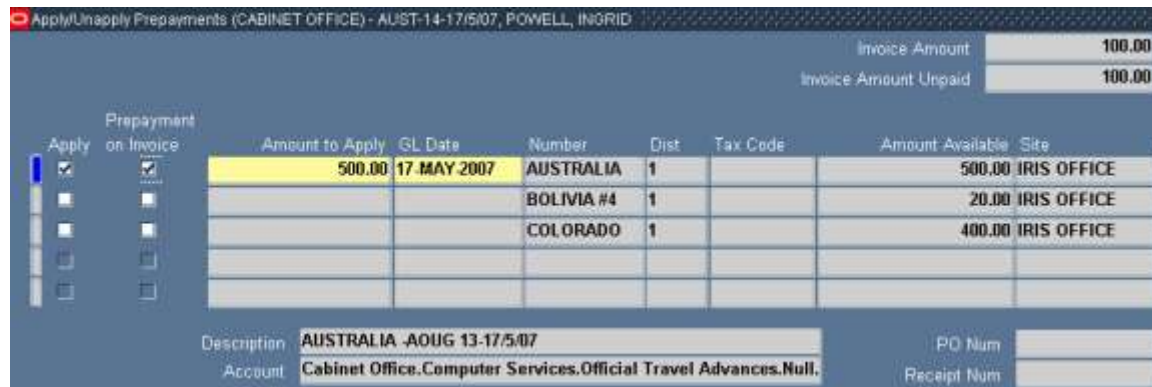
**CAUTION # 1**

**If you were to enable only the “Apply” option, AP system will either apply the amount up to the value of the invoice or the remaining unapplied balance of the prepayment**

Apply on Invoice	Amount to Apply	GL Date	Number	Dist	Tax Code	Amount Available	Site
<input checked="" type="checkbox"/>	100.00	17-MAY-2007	AUSTRALIA	1		500.00	IRIS OFFICE
<input type="checkbox"/>			BOLIVIA #4	1		20.00	IRIS OFFICE
<input type="checkbox"/>			COLORADO	1		400.00	IRIS OFFICE
<input type="checkbox"/>							

**CAUTION # 2**

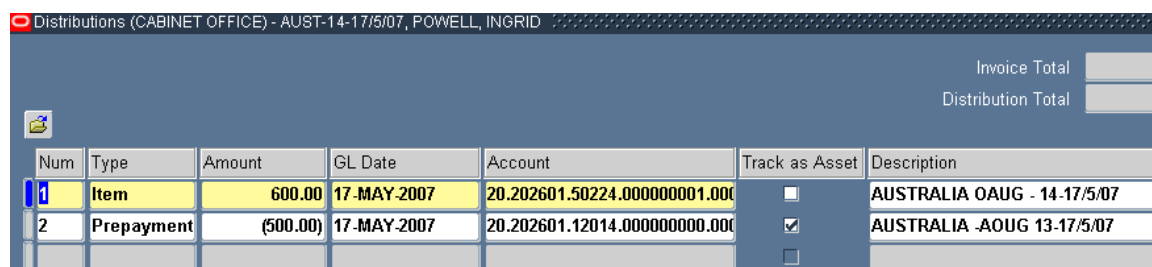
If you enable both the “Apply” and the “Prepayment on Invoice” options, AP will display the total value of the selected prepayment where you can choose to apply a portion or the full amount of the advance.



We recommend that you enable both apply and Prepayment on Invoice options.

Step 10: Click on the Apply/Un-apply button at the bottom right of above screen,

Distribution window will look as follows



Step 11: Return to the invoice window, then select Action...1 button then

Step 12: Validate/Approve the Invoice.

A cheque in the amount of \$100.00 (600.00 – 500.00) will be issued to the employee.

UN-APPLYING PREPAYMENTS

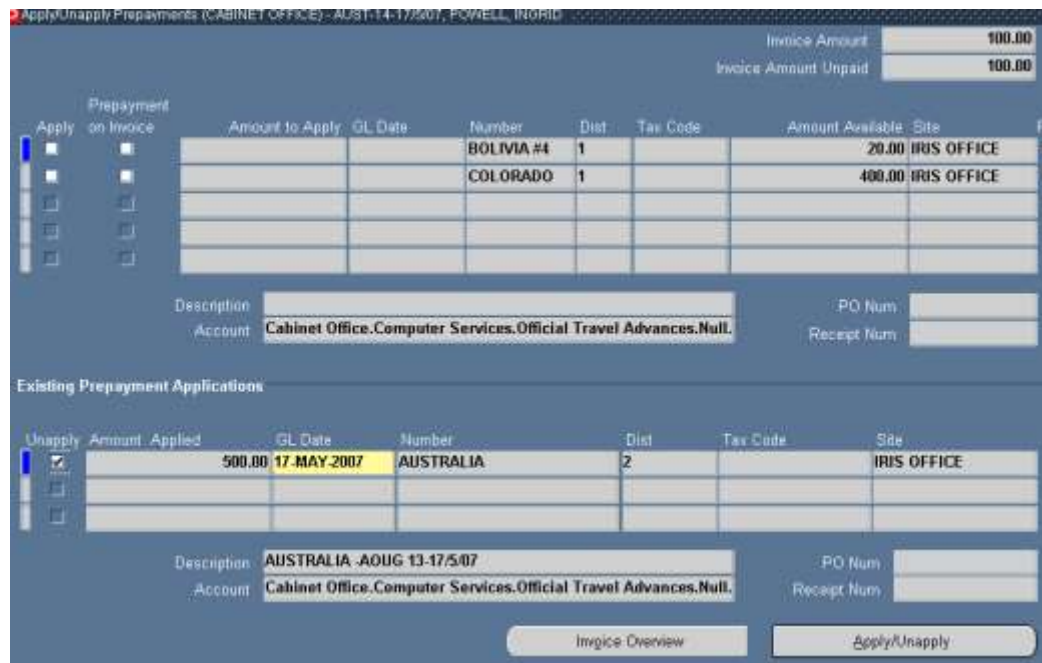
CRITERIA: You may un-apply a prepayment in two ways:

1. Before the invoice is paid.
2. If you mistakenly applied to the wrong invoice.
3. Must un-apply the full amount

Once unapplied, the prepayment becomes available to be applied to another invoice. Payables will update the status of the invoice to unpaid or partially paid.

- Step 1: Find the batch and the invoice that you would like to un-apply.
- Step 2: Click on Action....1 button
- Step 3: Enable Apply/Un-apply option
- Step 4: Click on Ok button
- Step 5: Select **Un-apply** option (you should see at the bottom of the window)
- Step 6: Click on Apply/Un-apply button

The amount will pop back to the top of the screen where it becomes available to be applied again to another invoice or the same invoice.



This action will remove the amount applied to the invoice, leaving it free to be applied to another invoice.

## CANCELLING PREPAYMENTS

**CRITERIA:** You can cancel a prepayment if they have not been paid or applied to invoices. To cancel an applied prepayment you must first un-apply the prepayment and void the payment document (cheque) that paid the prepayment.

### **To cancel an unapplied prepayment:**

- Step 1: In the invoices window query and select the prepayment
- Step 2: Invoice must have status of "Validated"
- Step 3: No cheque must be issued for the invoice
- Step 4: Choose the "Actions...1" button and select Cancel Invoices.
- Step 5: Choose OK to save your work

Payables automatically create reversing distributions for the prepayment and reduces the prepayment amount to zero.

### **To cancel an applied prepayment:**

- Step 1: Fully un-apply the prepayment.
- Step 2: Void the payment document (cheque) used to pay the prepayment
- Step 3: Cancel the prepayment as described in "To cancel an unapplied prepayment".