

Welcome and Introductions Welcome to SCEIS Accounts Payable and Agency Blocked Invoice Reconciler (ZMRBR) Introductions Sign-in sheet Restrooms Breaks Parking lot Complete course evaluation at end of class

The course Welcome and Introductions is an opportunity to get to know the other participants in class as well as to agree on classroom courtesy. The instructor will inform you of breaks and building facilities.

Please make sure you receive the credit you deserve for attending class by signing the attendance sheet.

Classroom Logistics



- Classroom etiquette
 - Cell phones off/silence
 - No side conversations
- Feel free to ask questions
- No email or internet usage during class except at breaks

Course Learning Objectives



- Open completion of this workshop, you should be able to:
 - Understand the accounts payable changes
 - Discuss the changes to the workflow and approval process
 - Understand the reasons for the changes
 - Explain the standard 3-way match
 - Know when to use transaction codes MIR4 and MIR5
 - Describe the purpose of transaction code MIRO and when to use that transaction
 - Describe the variances between PO, GR and Invoice

Course Learning Objectives cont.



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- Open completion of this workshop, you should be able to:
 - Understand the roles and responsibilities of Receivers, Buyers, and Invoice Entry personnel
 - Understand the sub-processes (Receiving, Invoice Entry, and Invoice Reconciliation) and the relationships to the corresponding ECC/SRM transactions
 - Understand the essential transactions to complete your work
 - Understand the importance of the relationships between Receivers, Buyers, Invoice Entry and the Office of Comptroller General (Office of CG)

03/13/2012

Course Map



- Changes
 Lesson 1: Upcoming Changes
- Lesson 2: Accounts Payable (AP) Workflow
- Lesson 3: Accounts Payable Invoice Entry
- Lesson 4: Display Invoice Document –
 Transaction Codes MIR4 and MIR5
- Lesson 5: Variances Blocked Invoices
- Lesson 6: Receiving Process Overview

Course Map



- Lesson 7: Invoice Entry and Process Overview
- Lesson 8: Invoice Reconciliation Process Overview
- Lesson 9: Analyze Blocked Invoices Transaction: ZMRBR
- Lesson 10: Analyze Blocked Invoices Transaction: ME23N

Course Map cont.



- Lesson 11: Examples and Resolutions
- Credits and Credit Memos
- Lesson 13: Next Steps
- Lesson 14: Support and References



AP Invoicing Changes



Effective Date - April 2, 2012

- Invoices will now be posted and Not Parked. This impacts PO invoices (document type RE)
- Transaction code MIRO replaces Transaction code MIR7. MIR7 will no longer be available.
- Subsequent Debits and Credits
- Agency Level Approval Optional
- Change current hard stop error messages to warnings

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PO Invoices will be posted and not parked. The MIRO transaction will be used to post invoices. The MIR7 transaction will no longer be used as invoices will no longer be parked.

MIRO checks the price and quantity of the invoice being entered against the purchase order and goods receipt and adds a block if the price or quantity is greater.

Subsequent Debit and Subsequent Credit are used when there is an error in the invoice entry and you need to post a credit or debit memo.

In the re-design, there will be the option for one agency level invoice approval. If the agency decides not to have agency level invoice approval, the SCEIS system checks the price and quantity of the invoice against the price and quantity indicated on the PO and the quantity that was entered on the goods receipt. If there is a 3-way match of the PO, GR, and Invoice, the invoice posts with a Payment (P) block and workflows directly to the CG's office. The Office of CG will review and determine whether to release the block for payment.

Currently you cannot enter an invoice if the GR is missing or if the invoice quantity is greater than the GR quantity. The change will allow you to enter an invoice when the GR is missing or if the invoice quantity is greater than the GR quantity. However the invoice document will be blocked with a "R" block. This information will appear on the ZMRBR report.

AP Invoicing Changes cont.



- All purchase orders except document types of Blanket Agreements/Orders will require Goods Receipts (GR). This indicator will no longer be changeable on PO's except blanket document types.
- Invoices can be entered before a Goods Receipt is processed
- Invoices consume Goods Receipts at time of entry of invoice

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In the past, users have been able to uncheck the indicator for Goods Receipts and GR non-valuated on every purchase order. The indicators to select whether a goods receipt is required on a PO are located on the 'Delivery" tab. On April 2, when the changes are effective, users will not be able to change the indicator on all standard PO document types. This will create the 3 way match.

Today a vendor will re-send an invoice that hasn't been paid. That same invoice can be parked and entered multiple times into the system applied to one goods receipt. The result can be multiple payments to a vendor for one good or service.

To avoid that, it's recommended that invoices be entered immediately when received from a vendor. Once the invoice is entered, the goods receipt will be consumed. Once the goods receipt is entered, the 3-way match will occur. This process will eliminate the multiple invoice payments to a vendor that occur today.

Benefits of Process Changes



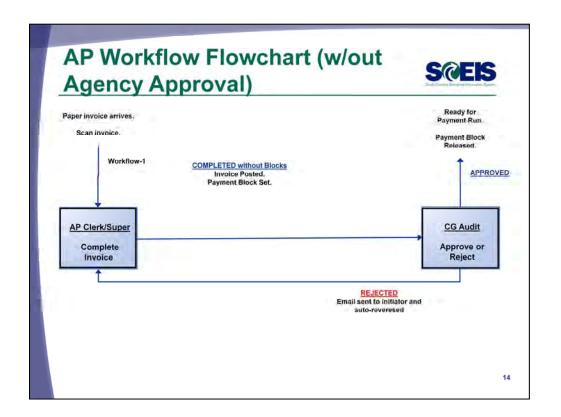
- Standard 3-way match of PO, GR, and Invoice will:
 - Prevent duplication of vendor payments now occurring
 - @ Reduce workloads
 - Stop manual overriding
 - @ Provide more accurate costing in inventory
 - @ Assist with cleaner year-end processing

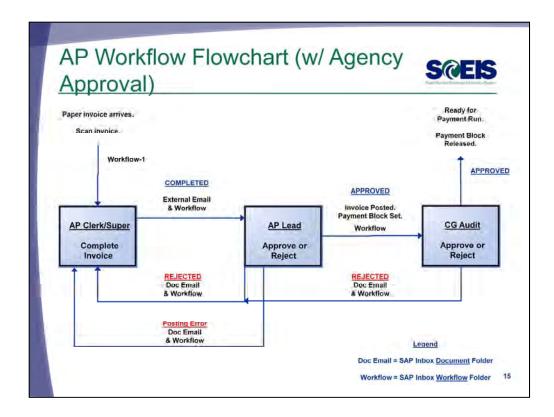
12

With the 3- way match, you can't receipt more than ordered. The process will save time and reduce work loads.

For year-end it will help to clear the inventory documents especially, but will also help identify invoices that are in SCEIS, but have not been paid or goods receipts that have not been invoiced.







Notes:

AP Invoice Approval

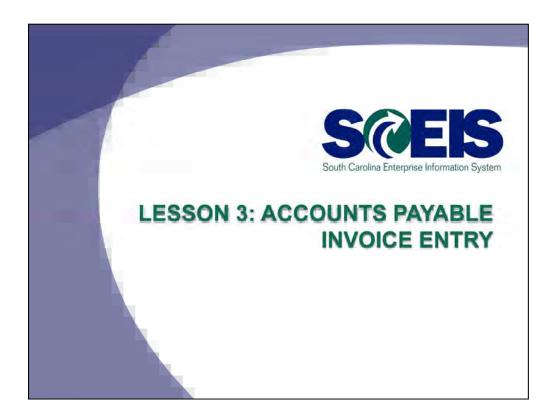


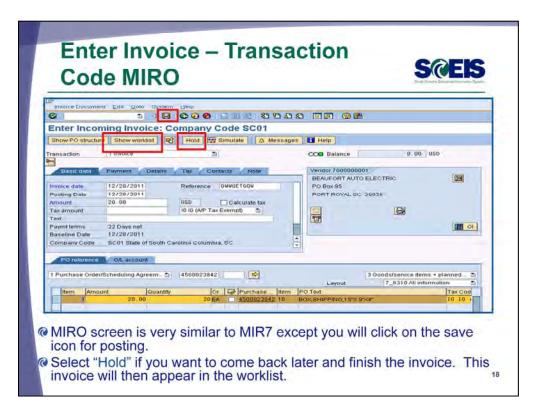
@ Post

- If there is not a three way match at posting a "R" block is set automatically and must be reviewed in ZMRBR.
- Once the three way match problem has been resolved, then a "P" block is set automatically and is work flowed to the Office of the CG
- If there is a three way match a "P" Block is set automatically and it is work flowed to the Office of CG.

@ If Office of Comptroller General (CG) Approves

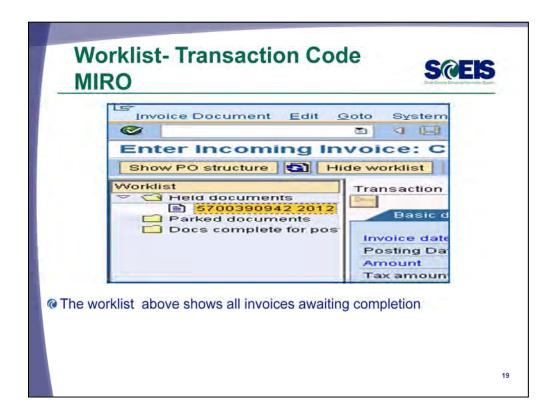
- Payment Block is released and the invoice is ready for the payment run
- @ If Agency Lead (ZMRBR Approver)/Office of CG Rejects
 - Workflow and Express Mail are sent back to the initiator
 - Invoice is auto reversed



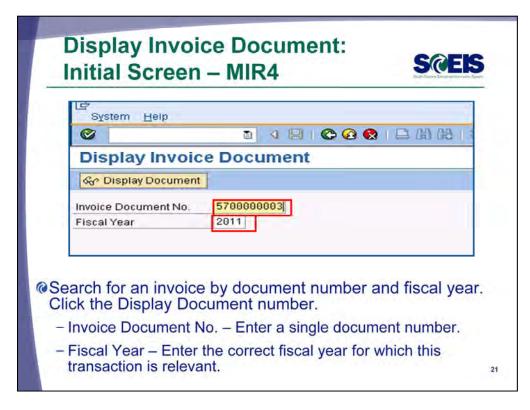


You would use the hold functionality if you want to check information prior to posting the invoice.

There is no longer the ability to "Save as Complete". Please note that the "Hold" functionality is not the same as being able to park a document. You no longer have the ability to park the PO invoices.



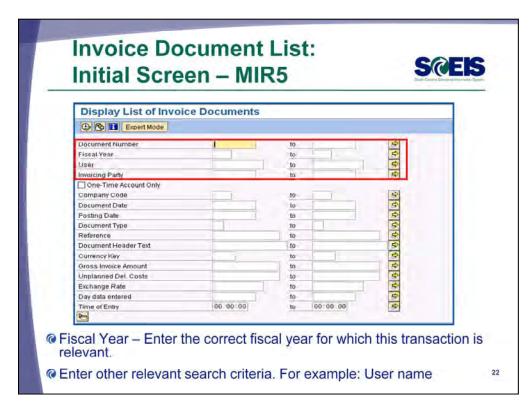




MIR4 is looking at a known invoice document. You must know the invoice document number or you can search for the invoice document.

Helpful Hints -

- ullet This transaction can only be used $\underline{\textbf{IF}}$ the invoice document number and fiscal year are known
- •There are no matchcodes associated with the two required fields on the Display Invoice Document screen
- •If the invoice number is unknown, use transaction code *MIR5* instead of *MIR4*. *MIR5* has some search capabilities beyond the invoice number and fiscal year.



MIR5 provide for a broader search criteria than MIR4, but on the report is run you will see the same information as you would if your ran MIR4. Several selection criteria are used to display a list of vendor invoices. After the list has been generated, one or more invoices may be selected for review.

Helpful Hints:

You can use MIR5 to:

- •Search for an invoice when the document number is unknown
- Display invoices and/or credit memos
- •Display parked or posted invoices, including narrowing your search to see what was parked/posted on a particular day(s)



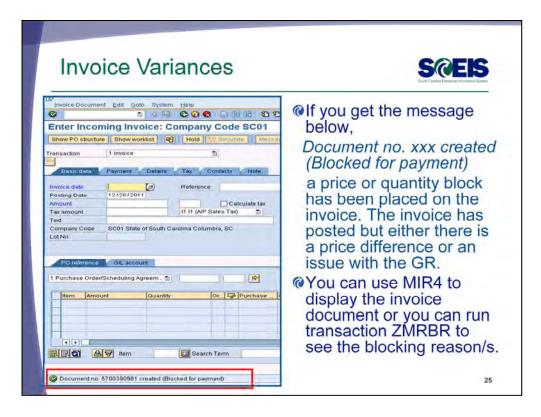
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You will receive this information message. Basically it means that you entered the invoice, it has actually been posted, but there is a quantity or price variance. It may not mean that you did anything wrong.

ZMRBR is the report that you use to review a list of vendor invoices that were either automatically or manually blocked in SCEIS.

Variances between PO, GR and Invoice

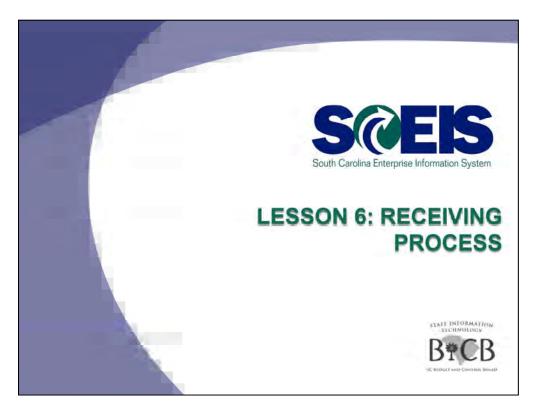


- ZMRBR is the standard SCEIS solution for displaying blocked invoices caused by variances among the PO, Goods Receipt, and/or Invoice
- Invoices are blocked due to variances in price, quantity, or both
- ® Blocked invoices can only be corrected by performing corrective transactions (GR, Subsequent Credit/Debit, PO Price/Quantity Change, Credit Memos, etc.,) against the POs

Variances between PO, GR and Invoice cont.



- Cogistics blocked invoices should never be manually released.
- Once the variance has been corrected, the block will be removed automatically via a scheduled batch job
- Variances/blocks will be covered in more detail in the presentation on ZMRBR



Notes:

Agency Employee Responsibilities



- Agency employees are responsible for entering into SCEIS the data from the physical receipt of materials and services
 - Supplier Relationship Management (SRM)
 Shopping Cart users enter Goods Confirmations in the SRM system
 - Goods Receivers using ECC enter Goods Receipts using the MIGO transaction

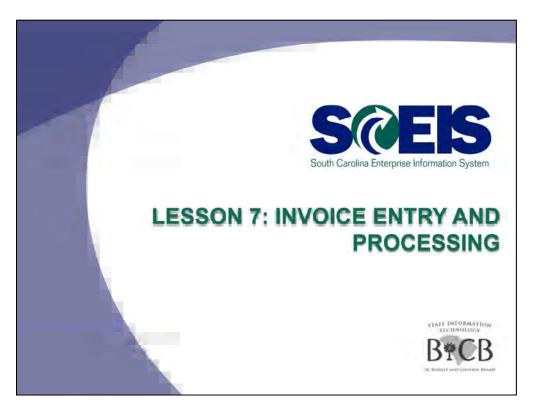
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Agency Receivers Responsibilities



- Responsibilities of Agency Receivers are as follows:
 - Verification of receipt of materials and services
 - Sign receipt acknowledgement for material and retain a copy for agency records (Scan the attachment, if applicable)
 - Enter Confirmations and/or Goods Receipts into SCEIS at time of receipt

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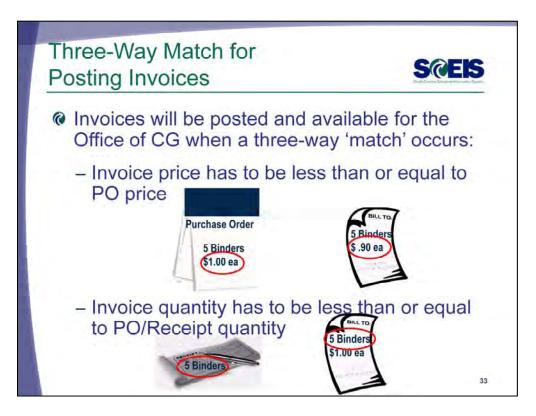
Notes:

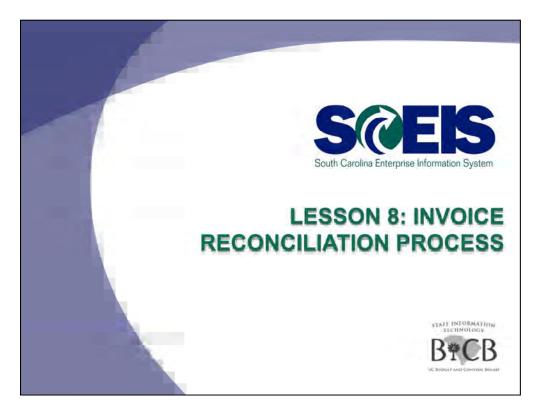
Invoice Entry and ECC



- @ Invoices are entered into the ECC:
 - PO related invoices are entered by invoice entry personnel using the paper invoice submitted by the vendor
 - The paper invoice document is scanned and attached to the invoice document

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Notes:

Invoice Reconciliation Process Overview



- Involves the review of PO, Goods Receipts and invoices to confirm that the quantity/prices reflected on the invoice document matches the materials ordered and received
 - This review is necessary to identify any discrepancies in the 3-way match between Purchase Order, Confirmation/Goods Receipt, and Invoices

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Agency Responsibilities



- Agency Responsibilities:
 - Utilize ECC transactions ZMRBR
 - Identify the reason for the block
 - Work cooperatively with Receivers, Buyers, and Accounts Payable to reconcile the blocked invoice

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Notes:

Suggested Resolutions for Blocked Invoices



- © Suggested Processes to Resolve Blocked Invoices:
 - Goods Receiver enters Goods Receipt/Confirmation
 - Buyer edits Purchase Order quantity or amount
 - Invoice Entry Person corrects invoice (Subsequent Debit/Credit)
 - Invoice Reconciler contacts Supplier to request a corrected invoice or Credit Memo

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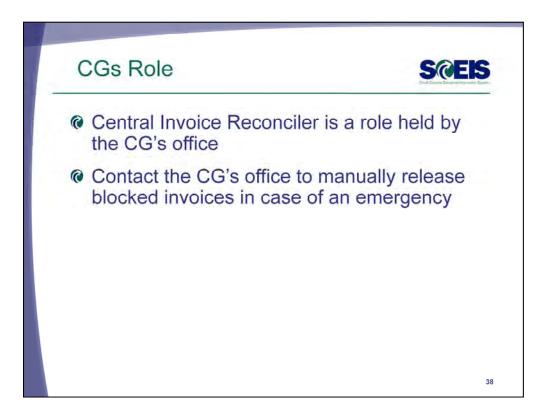
We can discern blocks by comparing Goods Receipts and Invoice Receipts.

An easy solution to a block would be where the invoice is blocked due to not having a confirmation (goods receipt) done in SRM.

Another scenario is where you would have a invoice amount not match the purchase order amount. This may happen when the supplier has given you an incorrect invoice or it was entered incorrectly.

How about when you receive an invoice for \$105.00 but the GR is for \$100.00 What would you do?

- * Call supplier and request a corrected invoice.
- * Update Purchase Order Price



NOTES: CG's office only see the invoice when ready for payment

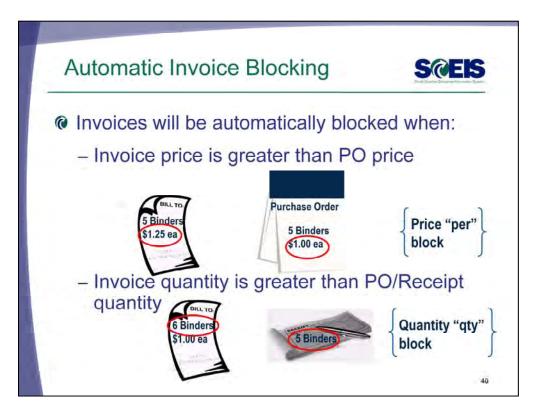
Impact of Blocked Invoices



- @ Impact of Blocked Invoices on Agencies and State
 - Payment to suppliers delayed
 - Large, long-term accounts payable balances
 - State unable to take advantage of payment discounts
 - Significant time required by agency staff to clear old balances
 - Potential year-end/budget issues

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It is crucial to run the ZMRBR report on a daily basis.



NOTES:

Key Transactions to Reconcile Blocked Invoices



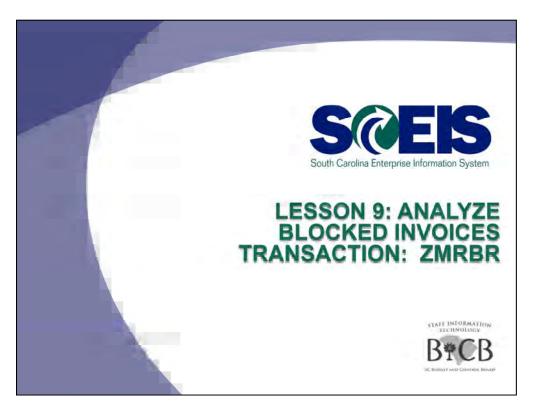
- SCEIS provides several ways to analyze details of blocked invoices:
 - Transaction ZMRBR (Review Blocked Invoices)
 - Transaction ME23N (Display Purchase Order)
 - Transaction MIGO (Display Goods Receipt)
 - Transaction MIR4/MIR5 (Display Invoice Document)
 - Transaction ME2N (List Display by PO Number)
 - Transaction ME2K (List Display by Account assignment)

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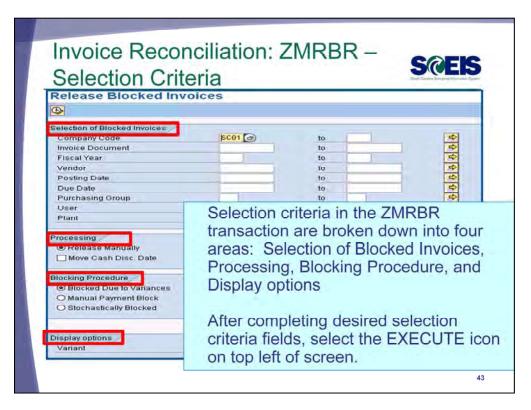
NOTES:

- •ZMRBR: Use this transaction when the invoice reconciler needs to review a list of blocked vendor invoices
- •ME23N: Use this transaction to display a purchase order for your review. You can use it to determine if a goods receipt has been done or an invoice has been paid
- •MIGO: Use this transaction to post goods movements for materials in your inventory
- •MIR4: Use this transaction search for an invoice when you need to review the vendor's invoice. You search for the invoice by document number and fiscal year.
- •MIR5: Use this transaction to search for a vendor invoice where the document number is unknown (similar to MIR4).
- •ME2N: Use this transaction when you need to find open quantities on purchase orders. Information pertaining to open quantities on purchase orders by PO and line item are displayed depending on your search criteria. This transaction is valuable to determine what PO quantities need to be changed to "0" quantity. The quantity on the purchase requisition associated with the PO should also be changed

ME2K: Use this transaction to obtain a list of purchase documents by cost center, WBS element or other account assignments. You can also use this transaction to see those documents for a particular period of time.



Notes:



The heading is misleading it actually lists blocked invoices it does not release them. This feature will list blocked invoices.

It is recommend that the designated agency person run this report every morning to see a list of blocked invoices so they can resolve them. You will only be able to see information for your agency based on your security permissions

You may want to check the Purchasing group field to insure the correct number is there. You may then need to contact the receiver, buyer or vendor to resolve blocked invoices.

The following are DEFAULTS:

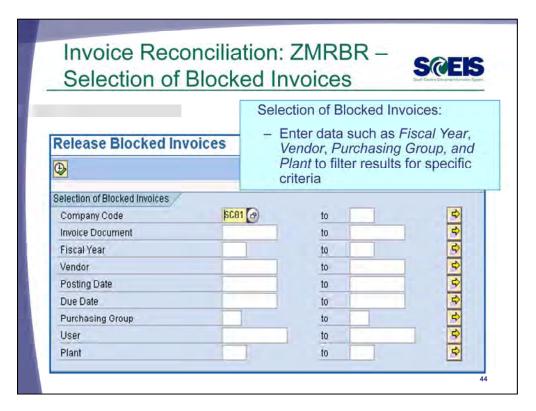
Processing field:

Release Manually

Note: Always keep marked. If you choose release automatically, all invoices will be released automatically without being corrected.

Blocking procedure:

Blocked due to variances



The following fields are available for you to narrow your search for your agency's blocked invoices:

Company Code – This is always "SC01". This is the only required field.

Invoice Document – Enter the invoice document, if known

Fiscal Year – The applicable fiscal year (s) you are searching for the blocked invoices

Vendor – Enter in the Vendor's number. You can also select the match code and search for the appropriate vendor

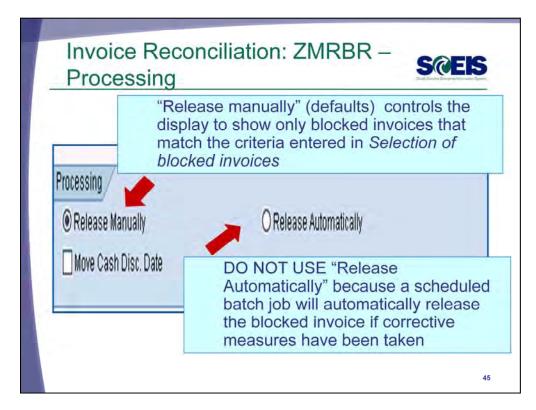
Posting Date – SCEIS will default to the current date, but you can change this field

Due Date - Determines the date when the invoice is due to be paid. You can pull up the calendar to pick a date or you can click on "F4" then "F2" to populate the field with the current date.

Purchasing Group – You can search by the buyer or a group of buyers, who is/are responsible for certain purchasing activities

User – Search by the person user's name who created the invoice

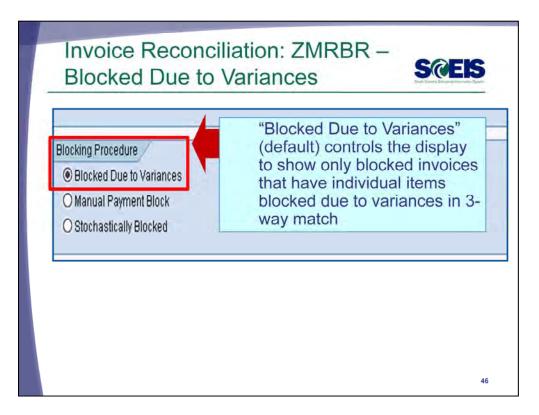
Plant – What should I say here?



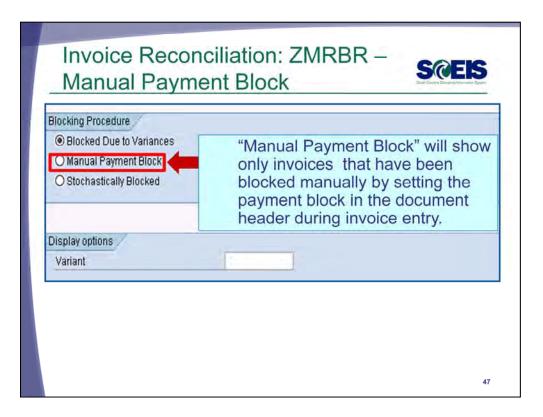
If you correctly resolve the issue with the three-way match, the system will release the block once those conditions have been satisfied. ZMRBR with the automatic selection option is run several times a day.

The batch job is anticipated to run four times a day and will automatically release the block invoice if corrective measures have been taken. The batch jobs are anticipated to run daily at 9:00 a.m.; 11:00 a.m.; 1:00 p.m. and 3:00 p.m.

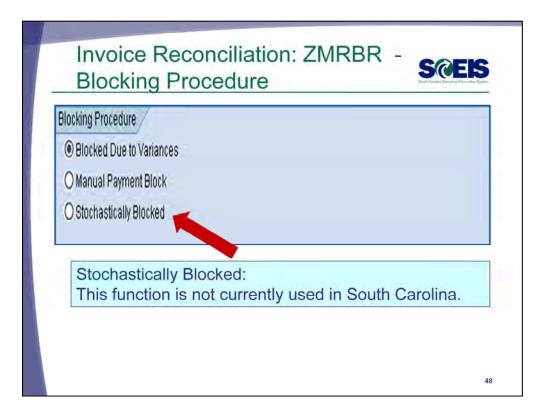
If there is workflow, then the invoice will workflow to the designated AP Lead. If there is no workflow then the invoice will workflow to the CG's office.



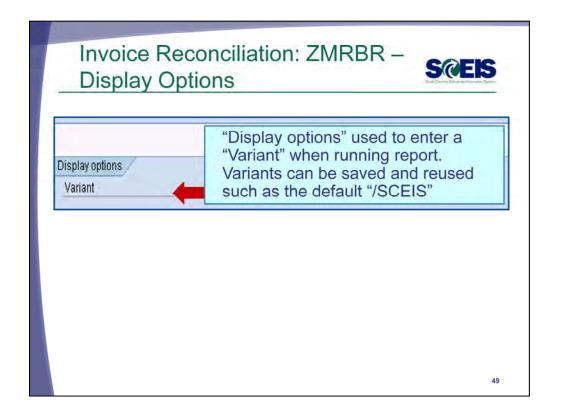
Will not show manual blocks, only those invoices blocked due variances, including the 3-way match variances.

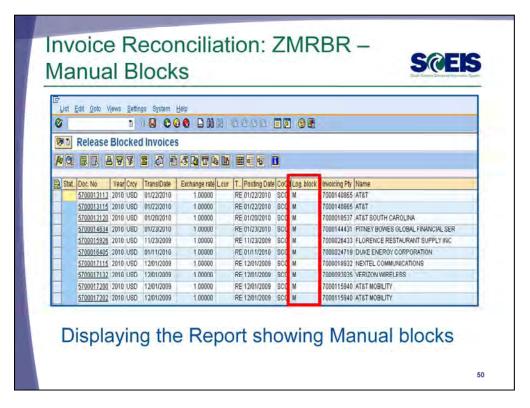


If manually setting a payment block in the document header when entering an invoice and one of the invoice items contains other blocking reasons, SCEIS does not display this invoice in the blocking procedure Manual payment block, but instead displays it in the blocking procedure Blocked due to variances

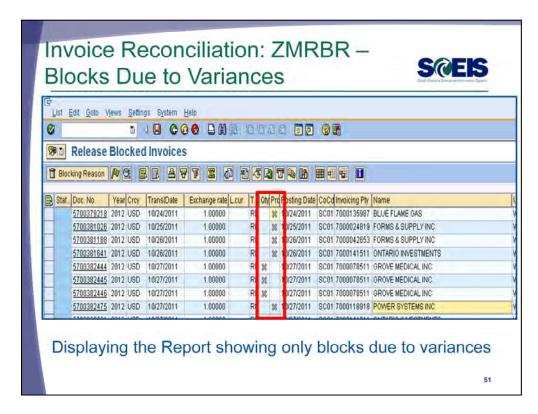


Specified that the list of blocked invoices is to contain only those invoices that the system has blocked stochastically (randomly) based on a specific criteria. South Carolina is not currently using this feature.



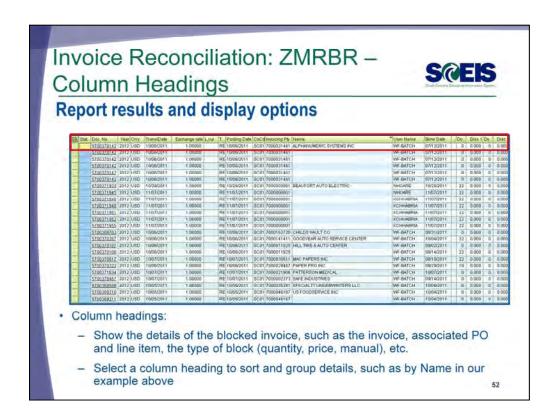


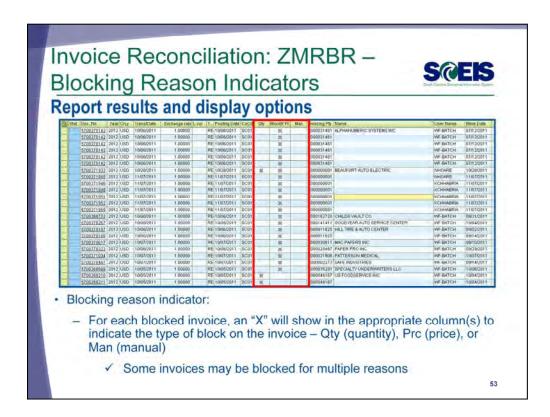
Screen Shot of ZMRBR for reference.

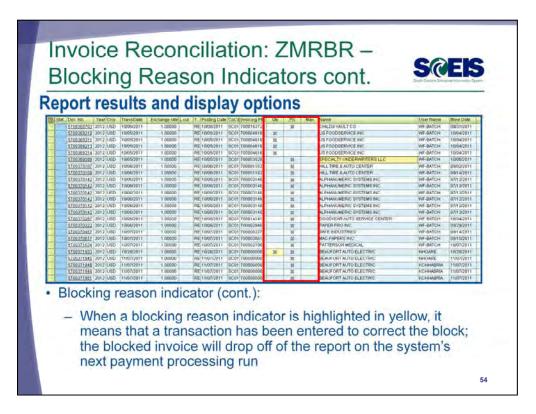


Screen Shot of ZMRBR for reference.

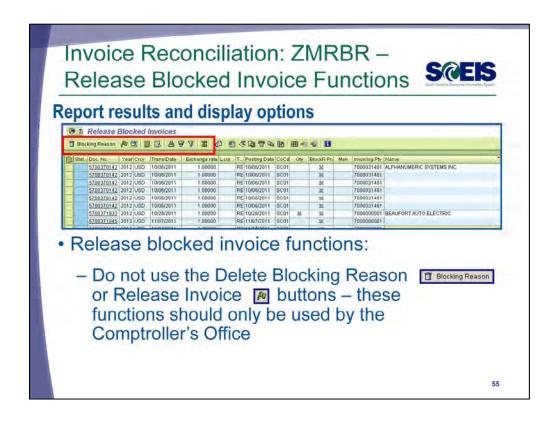
Note the yellow highlighted box in the quantity field. This indicates that a transaction was entered and once the system program runs at then end of the business day, this blocked invoice will drop off the report.

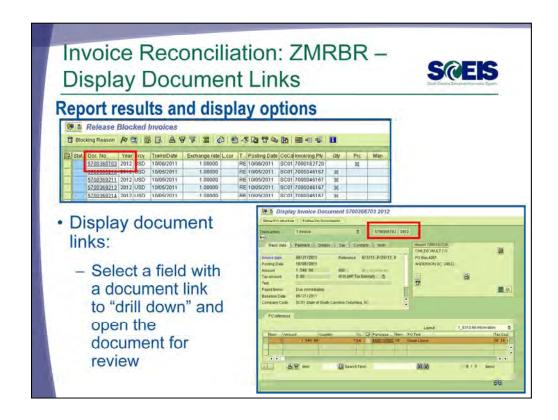






You will see the blocked invoice on the report until the next payment processing run has occurred.

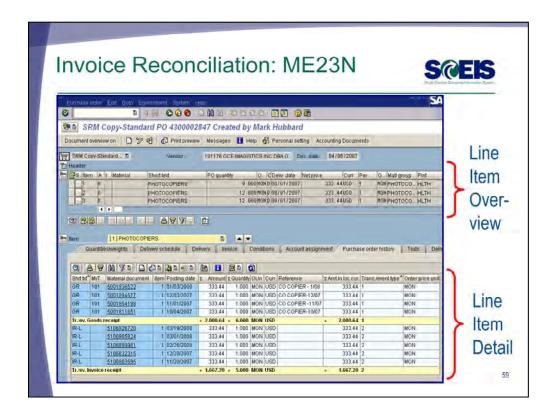


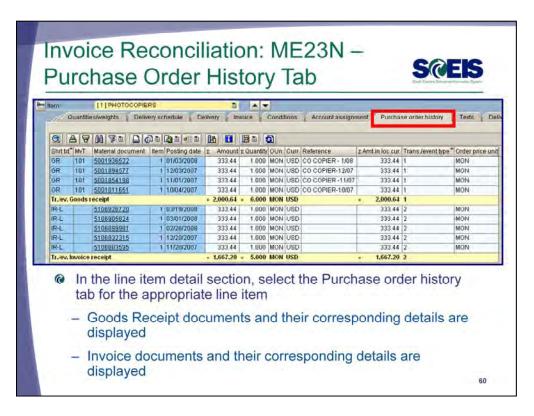




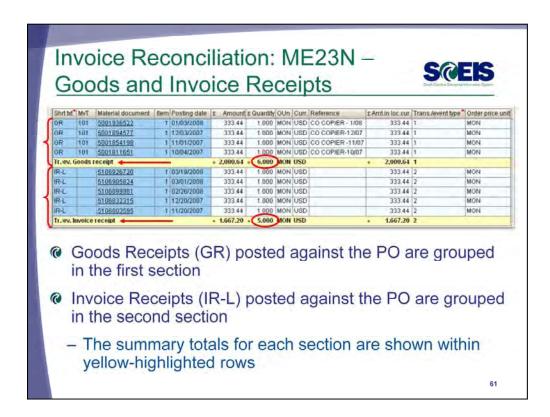
Notes:

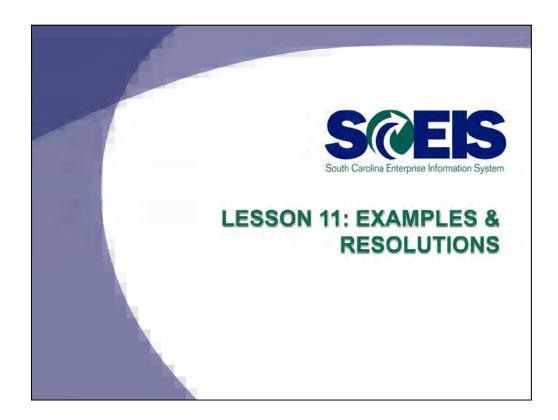
Basic Purchase Order Principles © Vendor © Review the Purchase Order History (ME23N) © Change Price and/or Quantity

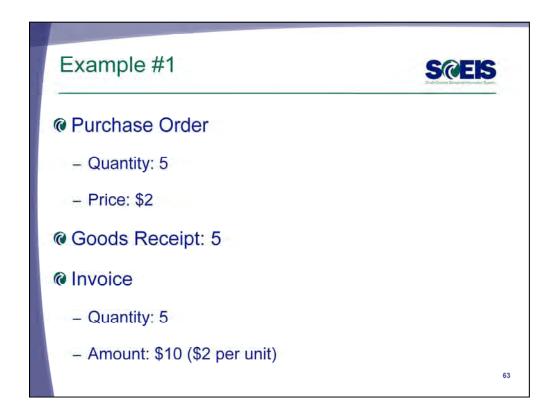




When agencies monitor purchase order activities to resolve unmatched GR/IR discrepancies they should always first look at the PO History Tab.





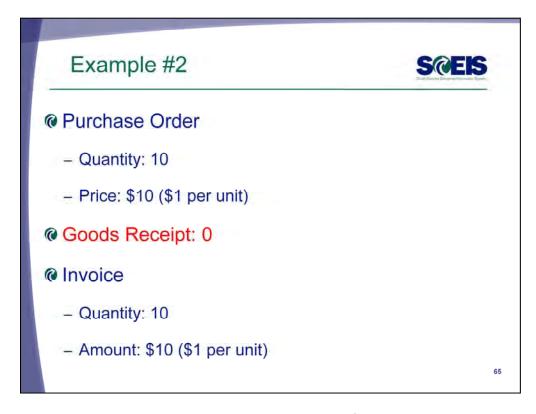


Resolutions for Example #1

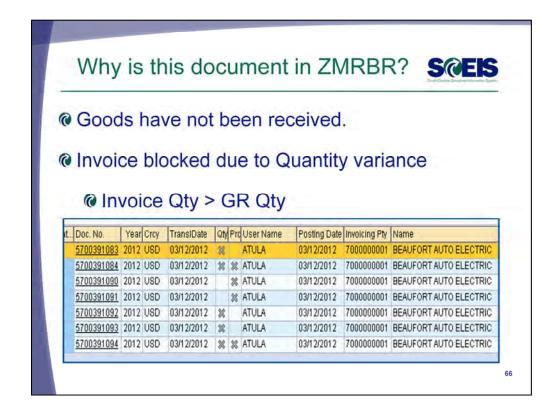


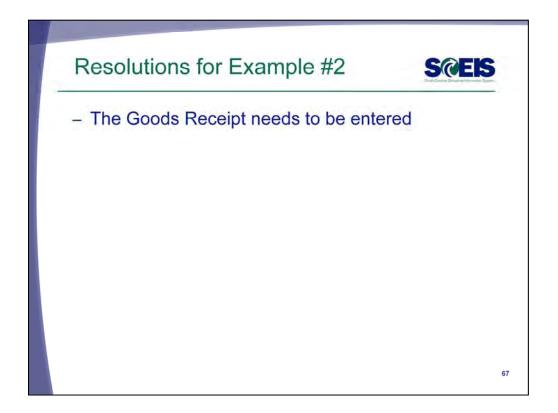
- No Issues this scenario would pass the 3-way match
- @ A "P" block will be placed and the invoice will workflow to the Agency's Lead and/or CG's Office

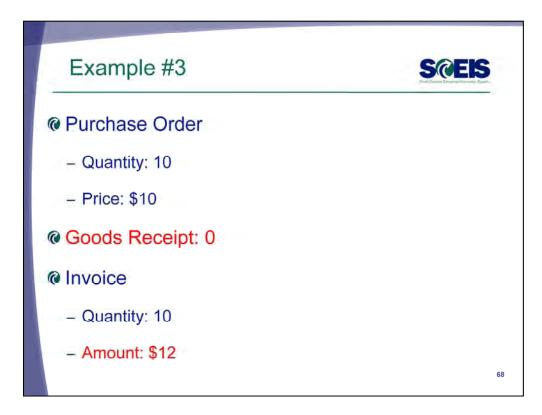
64



Add a screen shot to show what the report will look at.





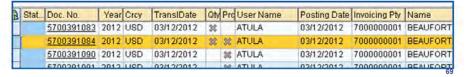


The issue in this example is that the price on invoice exceeds the price on the PO so there is a block due to Price. There is also no goods receipt and there is a block due to quantity.

Why is this document in ZMRBR? SCEIS



- @ Goods have not been received.
- @ Invoice price is greater than PO price
- @ Invoice blocked due to both Quantity and Price variances
 - Invoice qty > GR qty
 - Invoice price > PO price

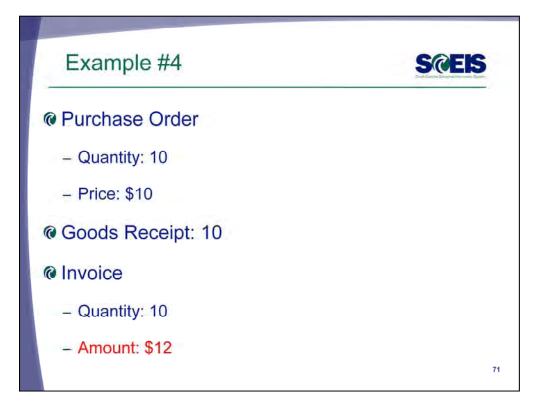


Resolutions for Example #3

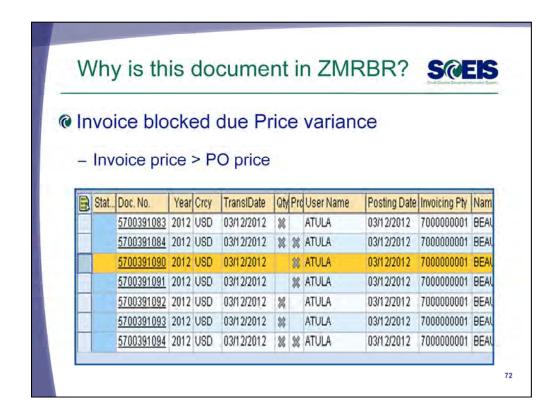


- Step 1)
 - Is the PO price correct?
 - If Yes, reverse and re-enter a new invoice
 - If NO, the PO price needs to be updated.
- Step 2)
 - The Goods Receipt needs to be entered

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In this example the issue is that price on the invoice is greater than the price on the PO. You have spoken with the vendor and the issue is with the PO.



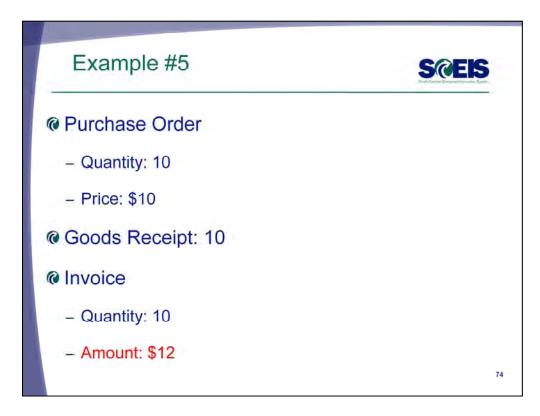


- Is the price based on a contract and did the contract price change? (Responsible Party – Procurement)
- Does the vendor need to be contacted about an invoice error?
 (Responsible Party AP Clerk/Procurement)
- Is the PO price correct?
 - If Yes, reverse and re-enter a new invoice
 - If NO, the PO price needs to be updated.

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For a State Standard PO – you can change the PO on a State Standard

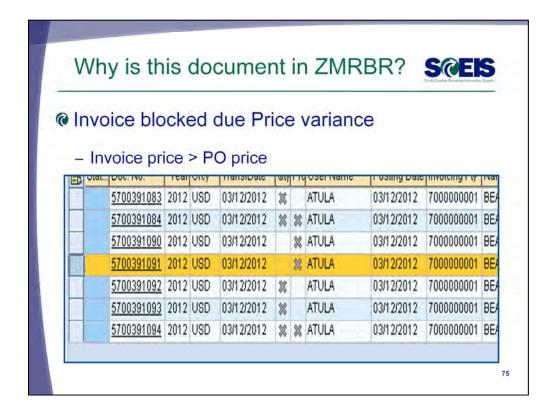
For an Inventory PO – What happens here w/ the cost (moving average cost implications)



In this example the problem is that the price on the invoice is greater than the price on the PO. You have spoken with the vendor and the issue is with the invoice.

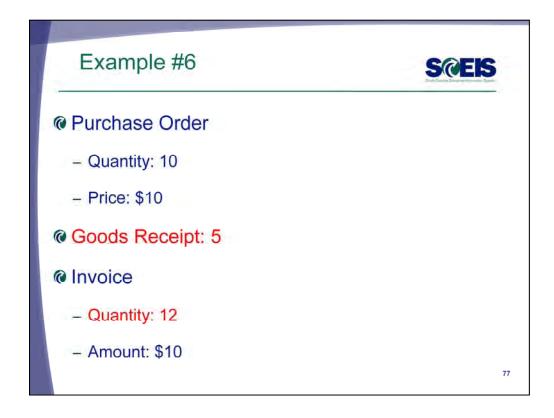
To Resolve this problem:

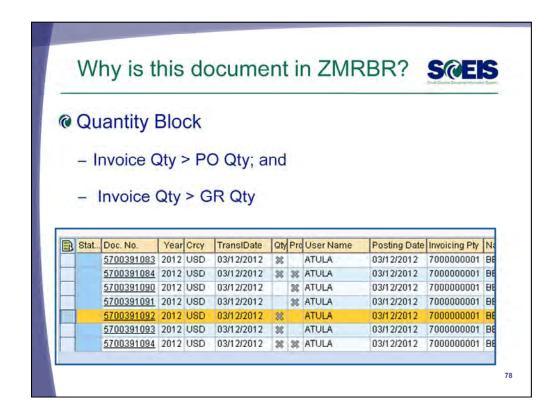
 Reverse the invoice and create a new invoice with the correct information (MR8M/F-44)





- Is the invoice price entered correctly? Ensure tax, freight or other unplanned charges are not included in the price per item. (Responsible Party – AP Clerk)
- Does the vendor need to be contacted about an invoice error?
 (Responsible Party AP Clerk/Procurement)
- Is the Invoice price correct?
 - If Yes, PO price needs to be updated
 - If NO, the invoice needs to be reversed and re-entered
 - MR8M / F-44

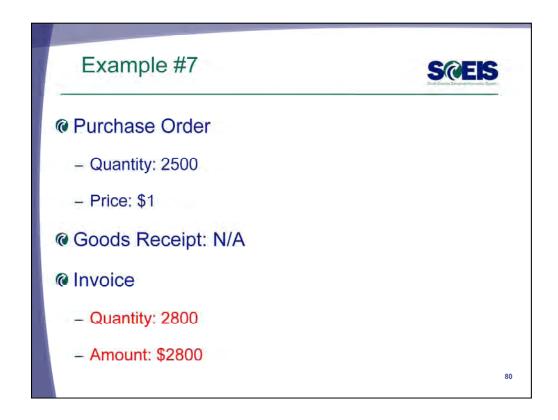


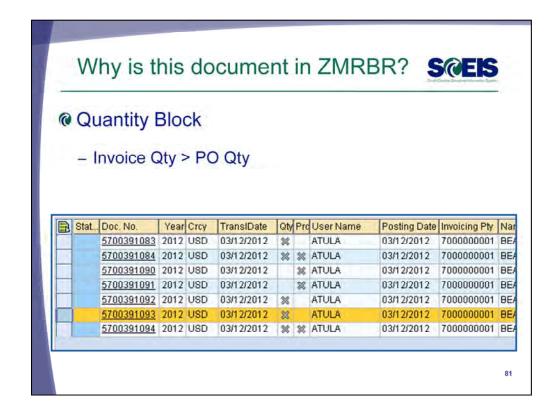




- Step 1) Invoice Quantity exceeds the PO quantity
 - Update PO quantity if the invoice was entered correctly
- Step 2) Invoice Quantity exceeds the Goods Receipt quantity
 - After updating the PO quantity, perform the Goods Receipt for the remaining quantity

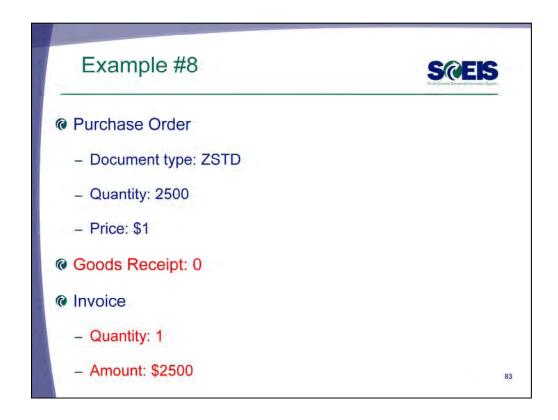
- •Review the PO History tab from ME23N to see how many items was received.
- •Update the PO to 12
- •Complete the Goods Receipt to 12.
- •Tolerance is still in place.

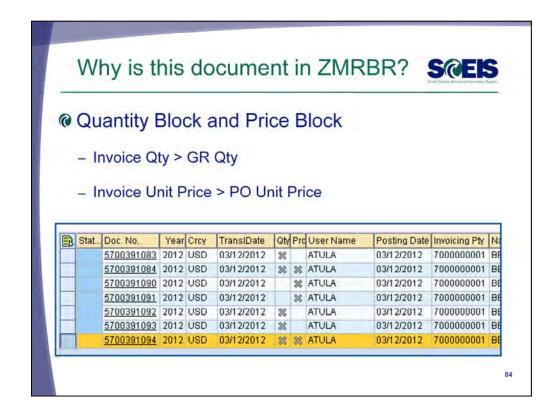






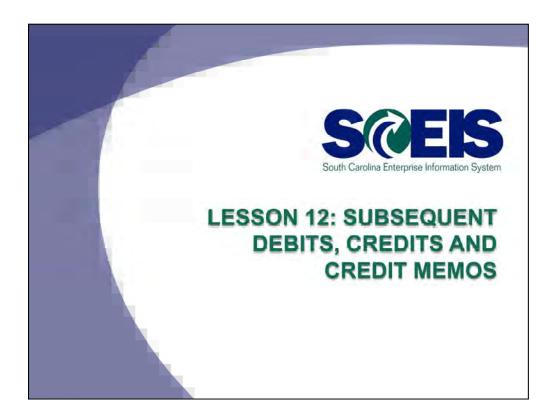
- This example is for a Blanket PO, so you are looking at a 2-way match since the Goods Receipt is not required
- Invoice quantity exceeds the PO quantity. The AP Clerk first has to make sure that the Invoice Quantity was entered correctly
- If the invoice was entered correctly, then the PO quantity will need to be updated to 2800

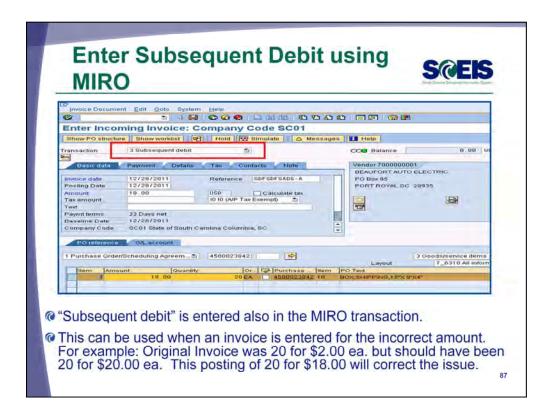


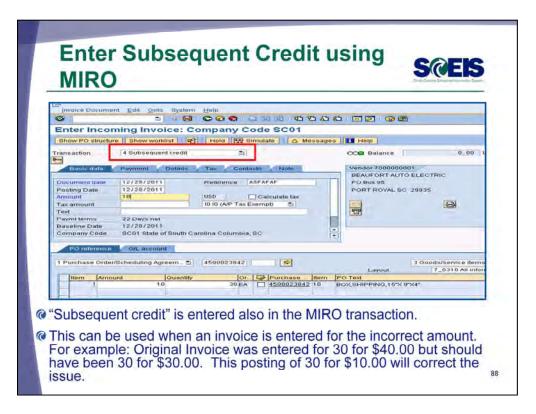




- This example is for a Standard PO that has been setup as a Blanket PO
- If it needs to be setup as a Blanket, first update the PO document type to a Blanket purchase order type
- If a Goods Receipt is not required for this Blanket, then uncheck the GR and GR non-val flags on the Delivery tab
 - However, if the PO already has history, then GR and GR non-val flags cannot be updated. In that case, GR will be required for this PO.
- Reverse the previously posted invoice document and reenter a new invoice

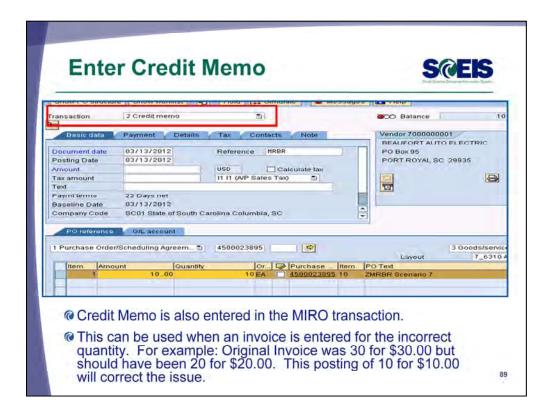






Make sure that you reference the PO number.

Need the steps to take & then how to check against the PO. Check the PO History on ME23N. Explain how can tell if it is a credit or debit.





Implementation Preparations

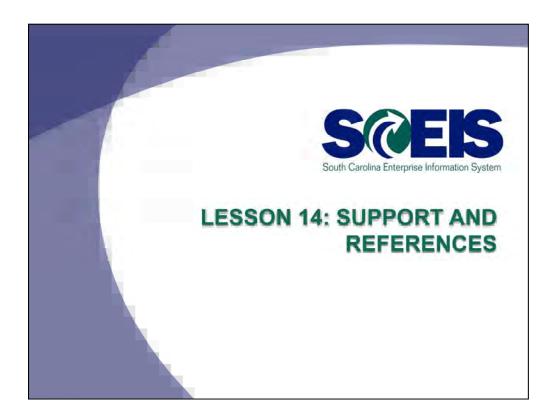


- Review all Standard PO document types which are set up like blanket PO document types
 - These PO's have **not** been setup as Blanket PO's, but their Quantity and Price have been reversed.
- @ Existing Standard POs not requiring GR
 - Standard POs will require GR after April 2nd.
 - Ensure that all existing Standard POs require GR's prior to April 2nd.
- Existing Parked Documents for PO Invoices
 - Either Approve or Reject all Parked documents prior to April 2nd.

Potential Process Changes – Agency Options

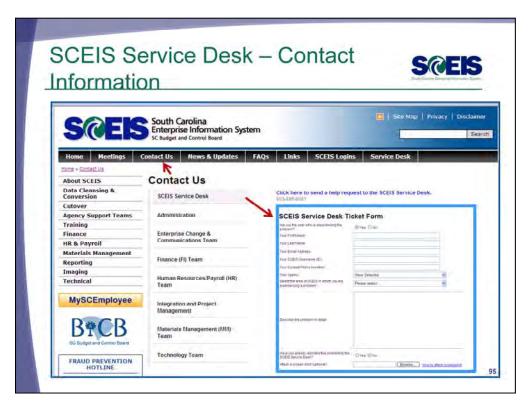


- @ Who should run the ZMRBR report?
- @ When should the ZMRBR report be run?
- @ Add Finance Approver to Shopping Cart Workflow (Agency Option)



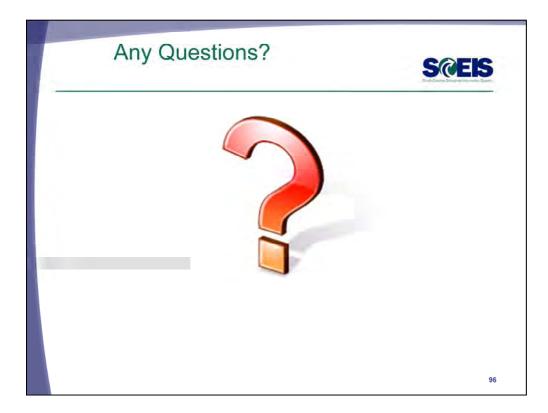


The following uPerforms are available on the SCEIS site:

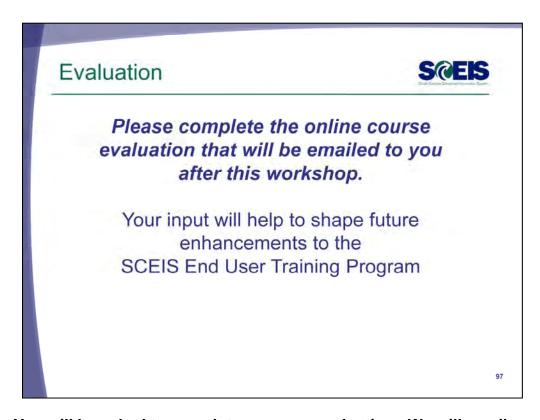


If you have an issue related to the AP changes you can contact the SCEIS help desk either by telephone at 803-896-0001 or by completing the SCEIS Service Desk Ticket form, which is located on the SCEIS website. To access the help desk form, click on the Contact Us link. On the Contact Us page, click on "Click here to send a help request to the SCEIS Service Desk". The SCEIS Service Desk Ticket Form will open in another window for you to complete and submit to the SCEIS Help Desk.

Note: If your agency has an internal help desk process in place, please continue to follow your existing process.



Notes:



You will be asked to complete a course evaluation. We will email you the link after the class.