PSFIN V8.9 Training

Georgia*FIRST* Wimba Training Series

Monitoring Purchase Orders and Monthly Cleanup

November 2, 2011

Handout

Information Technology Services
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GEORGIA*FIRST*
FINANCIAL, INFORMATION & REPORTING SYSTEMS FOR TOMORROW
A Project of the University System of Georgia

Welcome to

Monitoring Purchase Orders and Monthly Cleanup

Purchasing Training Series Part 2 of 2

A handout for this presentation is available to download and/or print through the November 2nd link on the GeorgiaFIRST Upcoming Training Events webpage:

http://www.usg.edu/gafirst-fin/training/upcoming/

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Agenda

- Wimba Ground Rules
- Review Objectives
- Review Matching Options and the Matching Process
- PO Queries
- PO Cancel and PO Close
- PO Reconciliation Workbench
- End of Month Tasks for POs
- Q & A

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Matching Options on PO

- Matching Options:
  - Full Match
    - PO to Voucher (2 way Match)
    - PO & Receipt to Voucher (3 way Match)
  - No Match
- Match status on a PO can be:
  - Unmatched
  - Partial (when Quantity or Amount on voucher is less than what is on PO)
  - Matched (when Quantity or Amount on voucher is greater than or equal to what is on PO)

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Matching Process

- The Matching process is run by AP to match the Voucher to PO and Receiving documents.
- The Matching process compares Qty/Amount data between Vouchers, Purchase Orders, and Receipts (if receiving is required or optional) and updates the PO Line and Header Match Status accordingly.
- If match exceptions exist they should be researched and addressed between PO & AP Departments before being Overriden.
- If PO Lines are set to "No Match" then the match process in not required when vouchered.

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Impact of Matching on Liquidation

- Matching allows multiple vouchers to be created and 'Matched' against a Purchase Order. How matching occurs depends on the method of Liquidation defined on the PO Line (Qty or Amount Only PO).
- A PO whose entire quantity or amount has been vouchered & matched will set the Match Status on PO_HDR and PO_LINE to 'M' and the PO will be eligible for closure when the batch PO Close process is run.
- When only a portion of the line has been vouchered & matched, the Match Status will remain 'Partial' (P), and will not be eligible to close when the batch PO Close process is run. If AP & PO determine that the PO will never be fully matched the PO can be finalized on the final voucher or manually (force) closed via the PO Reconciliation workbench.

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Match Rules

16	RULE_P400	Voucher Unit Price <> PO Unit Price + % Unit Tol	Exception	Always Continue	
17	RULE_R600	No receipt found, but unmatched ones exist	Exception	Always Continue	
18	RULE_R650	Voucher line amt > Sum of received amount	Exception	Always Continue	
19	RULE_R900	Total voucher received quantity > Accepted Qty	Exception	Always Continue	
20	RULE_R950	Voucher Quantity greater than Assoc. Receipt Qty	Exception	Always Continue	
21	RULE_V400	Life to Date > Sched Amt + % ext tol	Exception	Always Continue	
22	RULE_V500	Life to Date > Sched Amt + ext amt tol	Exception	Always Continue	
23	RULE_H200	Voucher Vendor/Loc <> PO Vendor/Loc	Exception	Always Continue	
24	RULE_P500	Voucher Unit Price <> PO Unit Price + Unit Tol	Exception	Always Continue	
25	RULE_R500	No receipts found	Exception	Always Continue	

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Matching Recap

1. Purchasing determines how the PO will be paid (Amount Only or Qty)
2. A receipt is created, if receiving is required
3. AP vouchers Purchase Orders
   - Changing the 'Distribute By' on the voucher does NOT affect Matching and subsequent Liquidation.
4. AP runs the Match Process which picks up only vouchers 'To Be Matched'
   - AP has the ability to change the Match Status on the Voucher that defaulted from the PO
   - Match Status' on PO Line and PO Header are updated to 'P' or 'M'

No Match POs will close when the Batch PO Close Process is run if the Due Date has passed, whether it has been vouchered or not.

It is recommended that all PO Lines are set to 'Full Match' or 'No Match' on any given PO.

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PO Queries

- BOR_PO_NOT_COMPLETE
  - Use this query to identify PO's that are not Closed. Research small and/or $0.00 balances in the Amount column. These PO lines would be candidates for Finalize or Close action.
- BOR_PO_OPEN_AMOUNT_ALL
  - Use this query to identify All PO's that have a remaining Amount Encumbered.
    - Includes PO's in a Complete status
    - Includes Vendor ID and Name
    - Is the upgraded equivalent of BOR_PO_OPEN_AMT_NO_FINAL

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Delete or Cancel a PO?

Delete:

- To get rid of PO ***before*** it has been successfully budget checked, Delete the PO (no trace of it will be left in the system unlike PO Cancel)
  - This will ensure no "hanging" KK exceptions
- POs cannot be Deleted once successfully budget checked, therefore, they must canceled

Cancel:

- Cancel action is only allowed on PO line(s) that have not been received or vouchered
- Cancelling a PO can only be carried out on lines with no activity against them

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PO Cancel

- After PO cancelation and closure, it will be necessary to budget check the PO again to relieve the encumbrance
- Can cancel a PO entirely, or individual PO lines
- To cancel a PO in its entirety, PO must meet the following conditions:
  - PO is not on hold
  - No schedules on the PO have been matched
  - No receipts have been recorded against the PO
  - No open vouchers have been recorded against the PO

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PO Close

- Once a PO is dispatched, received, and vouchered it must be reconciled and closed
- Process involves analyzing various info such as the Match Status on both the PO Line and PO Header and Due Date to determine if eligible for closure
- Only POs that have quantity or amounts that are completely matched or canceled can be reconciled and closed
- Once PO reconciliation process is run, PO status changes to "Complete"
- Typically, the PO Reconciliation Workbench is used in conjunction with the Close PO Process
- The Workbench is a more comprehensive search engine to validate any/all POs meeting specific criteria for further actions

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PO Reconciliation Workbench

- Allows you to analyze, individually or in batch, POs meeting criteria you specify on the "Filter Options" page (PO status, receiving, matching, encumbrance, Chartfields, etc.)
- Dispatch, Cancel, and Close actions can be taken
- Workbench offers you the ability to review POs "Not Qualified" for the action you wish to take
- When transactions are not eligible for an action, the Log explains "why", which assists in troubleshooting efforts
- If POs are not qualified for closure (not picked by in the batch PO Close process), the Workbench allows you to manually "force" reconcile and liquidate the PO
- If POs are eligible for closure (on the Qualified side), select Proceed to initiate the Close process.

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How can you tell if a PO has been liquidated?

- Run reconciliation queries for both PO and KK modules:
  - PO: BOR_PO_OPEN_AMOUNT_ALL (or a variation of this query)
  - KK: BOR_PO_OPEN_ENCS_KK
- Review the KK tables
  - KK_ACTIVITY_LOG
    - PREENC reversals will be reflected on PO entries
    - ENC reversals will be reflected on Voucher entries
  - KK_LIQUIDATION
    - Monetary and Foreign Amount fields should be "0" if fully liquidated
    - Activity reflects the amount reversed against the document

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REQ Liquidation by PO

KK_TRAN_ID	KK_TRAN_DT	KK_TRAN_LN	REFERENCED_BUDGET	BALANCING_LINE	LEDGER_GROUP	LEDGER	FISCAL_YEAR	ACCOUNTING_PERIOD	SEQNBR	RVRSL_FLG	CLOSED_VALUE	BUSINESS_U
0004021466	7/13/2009	1	N	N	DETAIL	DETAIL_PR	2010	1	0		N	27000
0004021466	7/13/2009	1	N	N	DETAIL	DETAIL_PR	2010	2	1		Y	27000
0004021466	7/13/2009	1	N	N	DETAIL	DETAIL_PR	2010	2	1	Y	N	27000

BUDGET_PERIOD	FOREIGN_CURRENCY	FOREIGN_AMOUNT	BASE_CURRENCY	MONETARY_AMOUNT
2010	USD	568.4	USD	568.4
2010	USD	568.4	USD	568.4
2010	USD	-568.4	USD	-568.4

KK_TRAN_ID	KK_TRAN_DT	KK_TRAN_LN	REFERENCED_BUDGET	BALANCING_LINE	LEDGER_GROUP	LEDGER	FISCAL_YEAR	ACCOUNTING_PERIOD	SEQNBR	RVRSL_FLG	CLOSED_VALUE	BUSINESS_U
0004023828	7/14/2009	1	N	N	DETAIL	DETAIL_EN	2010	1	0		N	27000
0004023828	7/14/2009	1	N	N	DETAIL	DETAIL_EN	2010	2	1		Y	27000
0004023828	7/14/2009	1	N	N	DETAIL	DETAIL_EN	2010	2	1	Y	N	27000
0004023828	7/14/2009	1	Y	N	DETAIL	DETAIL_PR	2010	1	0		N	27000

BUDGET_PERIOD	FOREIGN_CURRENCY	FOREIGN_AMOUNT	BASE_CURRENCY	MONETARY_AMOUNT
2010	USD	568.4	USD	568.4
2010	USD	568.4	USD	568.4
2010	USD	-568.4	USD	-568.4
2010	USD	-568.4	USD	-568.4

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PO Liquidation by Voucher

KK_TRAN_ID	KK_TRAN_DT	KK_TRAN_LN	REFERENCED_BUDGET	BALANCING_LINE	LEDGER_GROUP	LEDGER	FISCAL_YEAR	ACCOUNTING_PERIOD	SEQNBR	RVRSL_FLG	CLOSED_VALUE	BUSINESS_U
0004023835	7/14/2009	1	N	N	DETAIL	DETAIL_EX	2010	1	0	N		27000
0004023835	7/14/2009	1	Y	N	DETAIL	DETAIL_EN	2010	1	0	N		27000

BUDGET_PERIOD	FOREIGN_CURRENCY	FOREIGN_AMOUNT	BASE_CURRENCY	MONETARY_AMOUNT
2010	USD	568.4	USD	568.4
2010	USD	-568.4	USD	-568.4

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End of Months Tasks for POs

- If using requisitions, ensure all "Approved" requisition lines are sourced to POs or Canceled
- Review all "Partially Matched" POs to assess whether you expect to process additional vouchers against them or if they should be closed and liquidated
- The PO Close and Req Close processes should be run at least monthly to "clean up" Req and PO documents that remain 'Approved' and 'Dispatched' unnecessarily.
  - This ensures that all fully sourced reqs or fully vouchered POs are reconciled are closed and any ENC or PREENC balances are fully liquidated

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