# Matching: The Relationship Between Purchasing and AP

# Agenda

- Purpose of Matching
- Relationship between Purchasing and AP
- Purchasing Dept Responsibilities
- Accounts Payable Dept Responsibilities
- To Override or Not to Override
- Effects of Overriding Match Exceptions
- Inquiring on a Purchase Order
- Finalizing a Purchase Order
- Questions and Answers



# Purpose of Matching

- Matching is the process used to compare Vouchers with Purchase Orders and, when required, Receipts to ensure that your institution pays for only the goods and services that have been ordered and received
- Two-Way Match: Voucher and Purchase Order
- Three-Way Match: Voucher, Purchase Order and Receipt



## Relationship between Purchasing and AP

The tie that binds...MATCHING!

Decisions made by each department can affect the other

 Communication is important to resolve Match Exceptions the right way



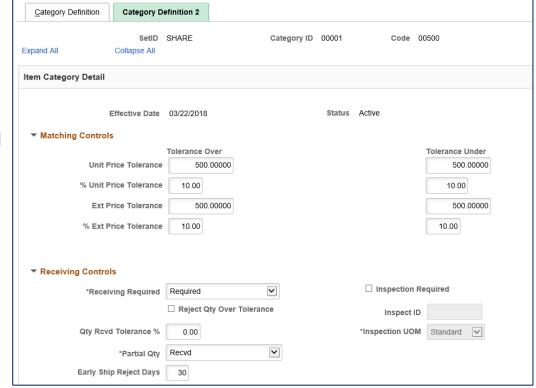
# Purchasing Responsibilities

- Ensure PO is set up correctly & understand the options
  - Receiving Options
    - Receiving is Required
    - Receiving is Optional
    - Do Not Receive
  - Quantity PO or Amount only PO?
  - Matching Options
    - Full Match
    - No Match
    - All lines on a PO should have the same Matching requirement



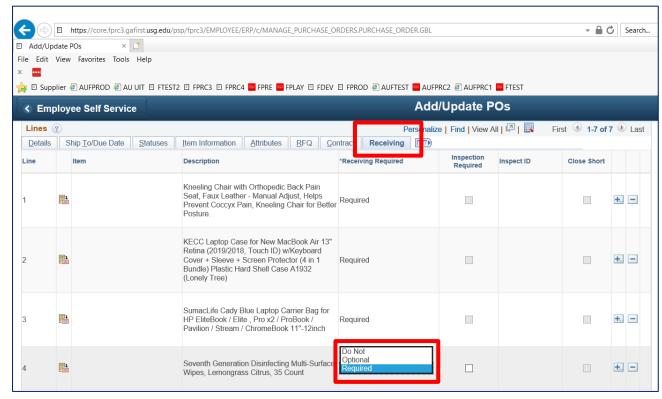
# Category Code defaults

The DEFAULT Match tolerances and Receiving Requirement is defined on the Category Code setup page.



# Receiving Requirement – PO Line

The Default
Receiving
Requirement can
be changed on the
PO Line



# Quantity or Amount Only PO?

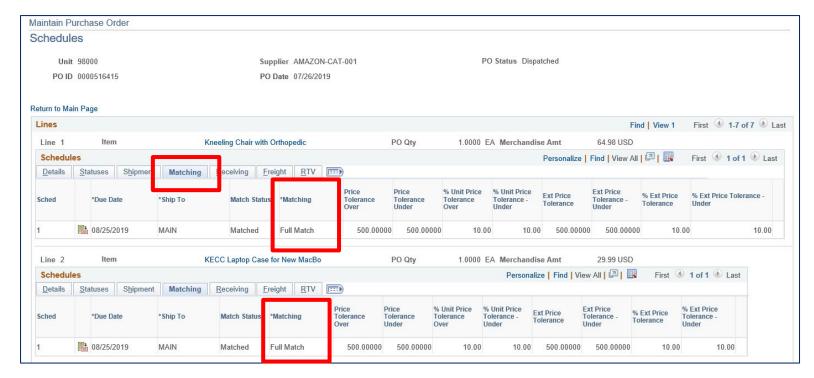
- Amount Only lines are commonly used for the purchase of services, where the supplier would send an invoice that is based on an amount of service provided rather than a quantity of items delivered.
- Select the Amount Only check box on a PO Line to designate that line as an amount only line. If selected, the purchase order quantity value on the line is set to 1 and the field becomes unavailable for entry.
- The Amount Only check box should NOT be selected for purchases of items, where the supplier would send an invoice that is based on a quantity of items delivered.



| Lines ②         |             |          |                  |   |                                  | Personalize   Find   View All   💷   🌉 First 🕚 1-7 of 7 🕦 Last |                    |                 |                   |             |             |   |  |
|-----------------|-------------|----------|------------------|---|----------------------------------|---|--------------------|-----------------|-------------------|-------------|-------------|---|--|
| <u>D</u> etails | Ship To/E   | Oue Date | <u>S</u> tatuses | Item Information  | Attributes                       | <u>R</u> FQ   | <u>C</u> ontrac    | t Receiving     | ===               |             |             |   |  |
| Line            | Item        |          |                  | Description   |                                  |   |                    | Physical Nature | *Price Qty        | *Price Date | Amount Only |   |  |
| I               |             |          |                  | Kneeling Chair<br>Faux Leather -<br>Coccyx Pain, K                    | Manual Adjust                    | Helps Pr  | event              | Goods           | Schedule Quantity | Due         | -           | + |  |
| 2               | <b>■</b> 14 |          |                  | KECC Laptop (<br>Retina (2019/20<br>+ Sleeve + Scr<br>Plastic Hard Sh | )18, Touch ID)<br>en Protector ( | w/Keyboa<br>4 in 1 Bur  | ard Cover<br>idle) | Goods           | Schedule Quantity | Due         |             | ± |  |
| 3               |             |          |                  | SumacLife Cad<br>EliteBook / Elite<br>Stream / Chron                  | , Pro x2 / Pro                   | Book / Pa   |                    | Goods           | Schedule Quantity | Due         |             | ÷ |  |
| ı               |             |          |                  | Seventh Gener<br>Wipes, Lemong  |                                  | _   | Gurface            | Goods           | Schedule Quar 🗸   | Due 🗸       | ⊻           | + |  |



### Matching Requirement – PO Schedule



All lines on a PO should have the same Matching requirement



# Accounts Payable Responsibilities

- Confirm that the correct supplier Location and Address are defined on the Invoice Information and Payments tabs of the voucher.
- Understand how creating a PO Voucher can affect Matching results
- Understand what the Match Exception means before deciding to override it, and what the effect will be if choice is to override
- If necessary, request Purchasing Dept to correct PO Match and/or Receiving settings



# How does the supplier Location and Address get populated on a PO Voucher?

When creating a PO Voucher, the Supplier Location and Address will either:

- Populate on the voucher with the Default location defined on the supplier
- Populate on the voucher from the supplier location defined on the purchase order (Payables Definition setting for the Business Unit)



#### **Creating Voucher using Copy From Source Document – entire PO**

If you need to adjust the Quantity or Amount on the voucher, do not use this option.

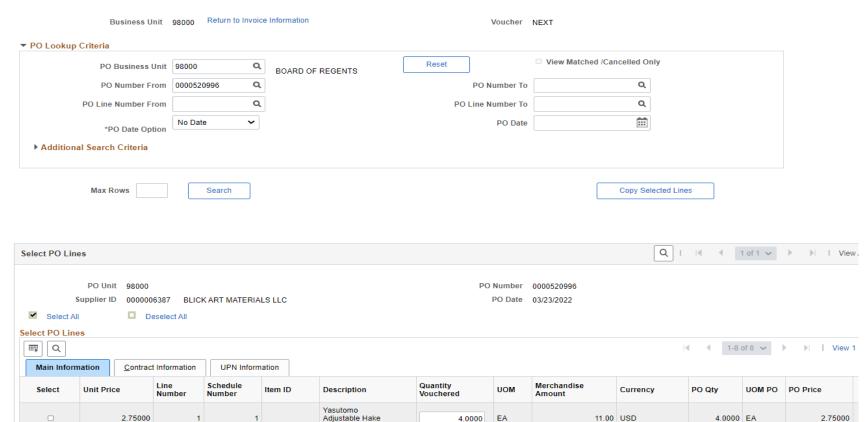
|  |                  |                        |  | ı                    | Regular Entry |  |               |   | ŵ ↓ :   |
|--|------------------|------------------------|--|----------------------|---------------|--|---------------|---|---|
| Invoice Information  | <u>P</u> ayments | <u>V</u> oucher Attrib | utes   |                      |               |  |               | New Window  | Help   Personalize  |
| Business Unit  Voucher ID  Voucher Style  Invoice Date  Invoice Received  Supplier ID  ShortName | NEXT Regular Vou | icher                  | Invoice No ccounting Date *Pay Terms Basis Date Type Control Group | N30 Q                | Net 30        | Line Total  *Currency  Miscellaneous  Freight  Total  Difference | 0.00<br>USD Q | Session Comme Attachn Templa Advanc Supplie Supplie | nents (0)<br>te List<br>ced Supplier Search<br>er Hierarchy |
| Location<br>*Address<br>Save   |                  | For Later              | Action   | □ Incomplete Voucher | •             | Run Ca   | alculate      | Print   | ٦   |
| ▼ Copy From Source D   |                  | Q                      | PO Num   | ber 0000521018 Q     | Сорг          | y PO Copy From   | None          | Go  | L   |

# Creating Voucher using Copy From Source Document – Copy From Worksheet

If you need to adjust the Quantity or Amount on the voucher, use this option.

|                     |                  |                   |                 |                 | Re      | gular Entry  | /            |           |               |        |           |
|---------------------|------------------|-------------------|-----------------|-----------------|---------|--------------|--------------|-----------|---------------|--------|-----------|
| Invoice Information | <u>P</u> ayments | <u>V</u> oucher A | Attributes      |                 |         |              |              |           |               |        | New Wind  |
| Business Uni        | t 98000          |                   | Invoice No      |                 |         |              | Invoice Tota | ı         |               |        | No<br>Se  |
| Voucher I           | NEXT             |                   | Accounting Date | 03/29/2022      | <b></b> | ==           | Li           | ne Total  | 0.0           | 00     | Co<br>Att |
| Voucher Style       | Regular Vouc     | cher              | *Pay Terms      | N30             | Q       | <del>a</del> | *c           | urrency   | USD           |        | Tei<br>Ad |
| Invoice Date        |                  | :::               | Basis Date Type | Inv Date        |         | Net 30       | Miscel       | laneous   |               | e<br>e | Su<br>Su  |
| Invoice Received    | 1                |                   |                 |                 |         |              |              | Freight   |               | 22     | Ju        |
|                     |                  |                   |                 |                 |         |              |              | Total     | 0.00          |        |           |
| Supplier IE         |                  | Q                 | Control Group   |                 | Q       |              | Di           | fference  | 0.0           | 00     |           |
| ShortName           |                  | Q                 |                 |                 |         |              |              |           |               |        |           |
| Location            | 1                |                   |                 |                 |         |              |              |           |               |        |           |
| *Address            | 8                |                   |                 | ☐ Incomplete Vo | ucher   |              |              |           |               |        |           |
| Save                | Save F           | or Later          | Action          |                 |         | ~            | Run          | Cal       | culate        |        | Print     |
| Copy From Source I  | Document         |                   |                 |                 |         |              |              |           |               |        |           |
| PO Unit             |                  | Q                 | PO Num          | ber             | Q       |              | Copy PO      | Copy From | Purchase Orde | er O 🗸 | Go        |

#### Copy Worksheet



12.0000

EΑ

16.32 USD

12.0000 EA

1.36000

Brush Staedtler Mars

Plastic Eraser



1.36000

2

# Recap: Which option should I use to copy a PO into a Voucher?

- Use the Copy PO option if you are FULLY vouchering all PO lines without making any changes
- Use the Copy Worksheet option if:
  - The Invoice amount or quantity is different than the associated PO
  - You only want to voucher certain lines of a PO
  - If copying in multiple POs to one voucher



# Match Exceptions: To Override or Not to Override?

PO Line set to Receiving Required No receipt exists

| Mat | Match Rules |         |   |          |                |          |  |  |  |  |
|-----|-------------|---------|---|----------|----------------|----------|--|--|--|--|
|     |             |         |   |          |                |          |  |  |  |  |
|     | Rules       |         |   |          |                |          |  |  |  |  |
|     |             | Details | Match Rule                                | Voucher  | Purchase Order | Receiver |  |  |  |  |
|     | 0           |         | No receipts found                         | 05355376 | 0000520984     |          |  |  |  |  |
|     | 0           |         | Voucher line amt > Sum of received amount | 390.03   |                | 0        |  |  |  |  |



What is the best way to resolve this Match Exception? Why?

- Do not override this Match Exception if a receipt should be created.
   Determine:
  - Is it an item or a service?
  - Has the quantity/amount that you are vouchering been physically received?
- Ask the Purchasing Department to update the Receiving Requirement on the Purchase Order if it is incorrect so that you do not have to override the exception. Communication is key to avoid paying for something you don't yet have.
- If the Match Exception is overridden, the PO will NOT be eligible to be closed. The Purchasing dept will have to manually force it to close.



PO Qty = 5 Voucher Qty = 5 Receiving Required, but No Receipt created

#### **Match Rules** ≕ 1-2 of 2 V Rules Override Options Details Match Rule Voucher Purchase Order Receiver Θ No receipts found 05355419 0000521021 0 Voucher quantity does not equal sum of receipt qty



2 ways to resolve these Match Exceptions without choosing to override. What are they?

• If you override this exception, the PO Status will get updated to Matched, as expected.

- However, the PO will NOT be eligible to be closed. The Purchasing dept will have to manually force it to close.
- It is OK to leave a voucher with a Match Status of Exceptions. Once a receipt is created the voucher will be matched when the matching process is run.



PO Qty = 5, PO Unit Price = \$20.00

Voucher Qty = 5, Voucher Unit Price = \$17.00 (Invoice came in with a lower unit price)

Receiving NOT Required

| M | atch Rule | S                               |   |         |                |          |  |  |  |  |
|---|-----------|---------------------------------|---|---------|----------------|----------|--|--|--|--|
|   |           |                                 |   |         |                |          |  |  |  |  |
|   | Rules     | es <u>O</u> verride Options   ▶ |   |         |                |          |  |  |  |  |
|   |           | Details                         | Match Rule                                      | Voucher | Purchase Order | Receiver |  |  |  |  |
|   | •         | <b>=1</b>                       | Unit price does not equal PO unit price + % tol | 17      | 20             |          |  |  |  |  |



What is the best way to resolve this Match Exception? Why?



- This Match Exception will most likely require some research in order to determine the best way to resolve.
  - Confirm you copied in the correct PO
  - Confirm the final invoice amount is correct
- If you determine that the final invoice price was less than the PO price, it is ok to override this Match exception.
- The PO Match Status is updated to MATCHED, since the full quantity was vouchered.
- The PO will be eligible to be closed, without further intervention.



PO Line Amount: \$31.40

Voucher Line Amount: \$6.28

Previously Vouchered Line Amount: \$31.40

| Match Rule | ch Rules         |   |         |                |          |  |  |  |  |  |
|------------|------------------|---|---------|----------------|----------|--|--|--|--|--|
| Rules      | Override Options |   |         |                |          |  |  |  |  |  |
|            | Details          | Match Rule                                      | Voucher | Purchase Order | Receiver |  |  |  |  |  |
| 9          | :==              | Unit price does not equal PO unit price + % tol | 6.28    | 31.4           |          |  |  |  |  |  |
| 9          | :==              | Life to Date > Sched Amt + % ext tol            | 6.28    | 31.4           |          |  |  |  |  |  |



What is the best way to resolve this Match Exception? Why?



- This Match Exception will most likely require some research in order to determine the best way to resolve.
  - These Match Exceptions are telling us:
    - The voucher amount does not equal the PO amount
    - The voucher amount EXCEEDS the PO tolerance amount (\$500 or 10%)
  - Determine if there is a valid reason for Exceeding the PO Amount.
  - Choose which action to take Override, Correct the voucher amount, or Close/Delete if Voucher is a duplicate.



PO is for an Asset Receiving is Required, but no receipt exists

| ľ | Match Rule | es      |  |          |                |          |  |  |  |  |
|---|------------|---------|--|----------|----------------|----------|--|--|--|--|
|   | 1-3 0      |         |  |          |                |          |  |  |  |  |
|   | Rules      | Rules   |  |          |                |          |  |  |  |  |
|   |            | Details | Match Rule   | Voucher  | Purchase Order | Receiver |  |  |  |  |
|   | •          |         | Receipt required for asset voucher                 | 05355429 | 0000521029     |          |  |  |  |  |
|   | •          | 1       | No receipts found                                  | 05355429 | 0000521029     |          |  |  |  |  |
|   | •          |         | Voucher quantity does not equal sum of receipt qty | 1        | 1              | 0        |  |  |  |  |



What is the best way to resolve this Match Exception?

Why?



- This Match Exception can not be overridden.
- Ask Purchasing/Receiving to create a receipt if the item has been physically received OR wait for a receipt to be created.
- It is OK to leave a voucher with a Match Status of Exceptions. Once a receipt is created the voucher will be matched when the matching process is run.

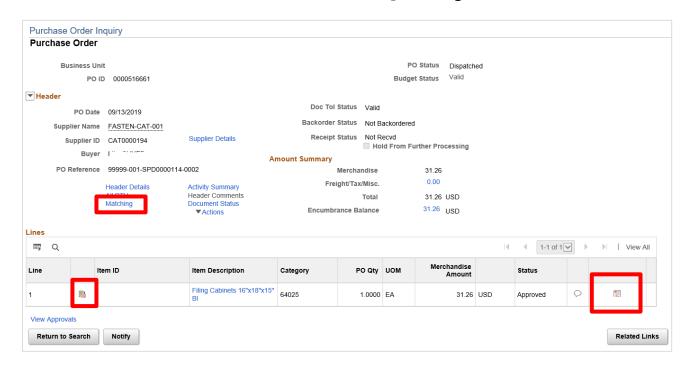
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# Inquiring on Purchase Orders

# Purchase Order Inquiry

- Review Matching Status
- Review Receiving Requirements
- Review Matching Requirements

Navigation: Purchasing > Purchase Orders > Review PO Information > Purchase Orders

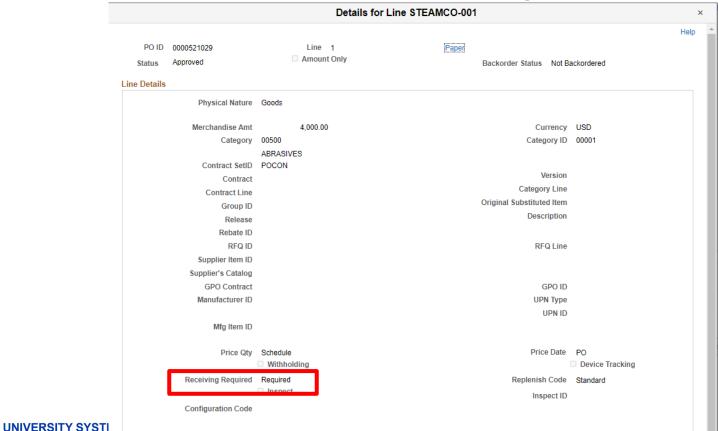


#### PO Header – Match Status



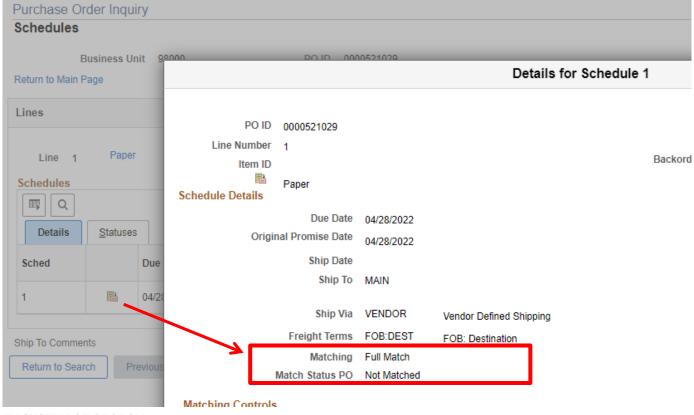


## PO Line Details – Receiving Requirements





#### PO Schedule Details – Match Line Status





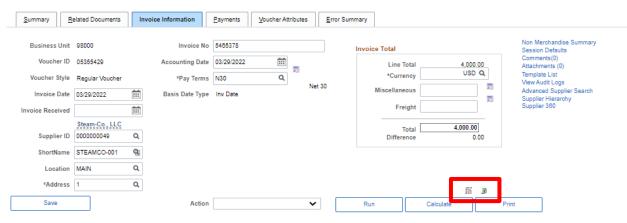
# Finalizing a Purchase Order

# Finalizing a Purchase Order

When a voucher is created for a quantity or amount that is less than what is defined on the associated Purchase Order AND the remaining quantity or amount will not need to be vouchered in the future, the finalize action can be taken.

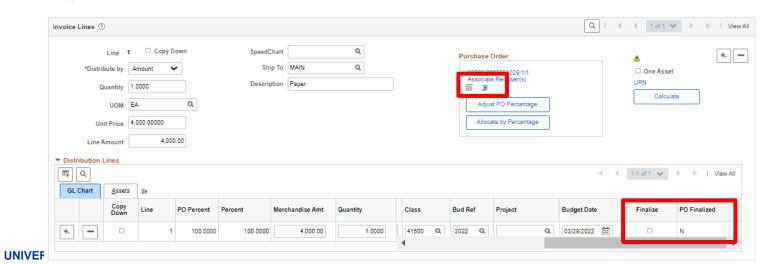
- Finalize option available if voucher accounting date is in an open accounting period
  - Option is not available if accounting period is closed
- Finalize at the header, line, or distribution line level





#### ▶ Copy From Source Document

Save





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# Finalizing a Purchase Order

- Finalizing a PO does NOT automatically close the PO. A PO is closed when the PO
  Close process is run, or when closed on the Buyer's Workbench
- Undo Finalize is an option. This action can only be taken on the voucher where the Finalize was initiated.
- Finalize action should **NOT** be taken on every voucher, as it can cause issues if the additional PO quantity or amount should be vouchered.

### **Trivia Question**

- PO created as Do Not Receive and Do Not Match
  - When is it eligible to be closed?
  - What if a voucher has not yet been created & processed?

## Helpful Queries

- BOR\_VCHR\_PO\_NOTRECV: Displays PO Lines that have been vouchered, but not yet received.
- BOR\_PO\_RECV\_NO\_VOUCHER: Displays PO Lines that have been received, but not yet vouchered.
- BOR\_PO\_NOT\_RECEIVED: Displays PO Lines not yet received
- BOR\_PO\_OPEN\_AMOUNT\_ALL: Displays PO's with Open Encumbrances. Also lists PO Status and Match Status.





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# Questions?