

Process Receipt of Invoice

Purpose

Use the Receipt of Invoice process to record the activity of receiving invoices for items that have been ordered using a purchase order generated in the Purchase Order module.

best Process Receipt Of Invoice

Batch: 0000049 Desc: Process Receipt Of Invoice Status: Balanced

Private Posting Date: 04/18/2001
 On Hold Hold Reason:

Department: 00 Corporate

Control Amt: \$0.00
Batch Total: \$0.00

Tran Type	Count	Amount
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admin SQA 4/18/2001

Invoice receiving can be associated with multiple purchase orders and receipts. An invoice batch can be made up of multiple invoices against different purchase orders.

Note: You must issue all unissued purchase orders before you can process the receipt of an invoice.

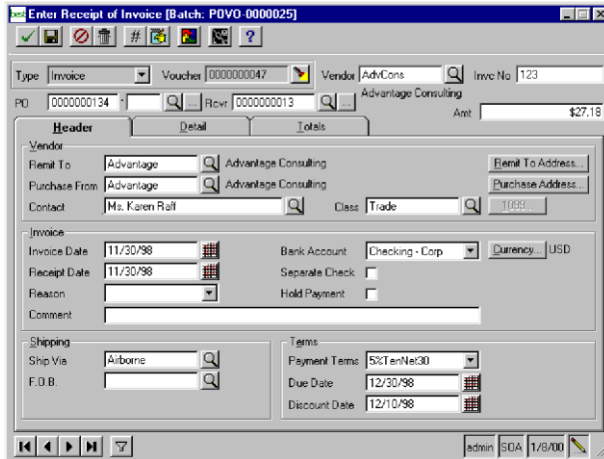
Process overview

Use these windows:

- Enter Receipt of Invoices. Select line item information from existing purchase orders and existing receivers to include on the voucher. You can manually enter line item information for invoicing nonpurchase order items.
- Matching. Compares quantities and costs on vouchers to the quantities and costs on the associated purchase order, and checks the hold status of the purchase order. Also verify unit costs, extended amounts, and total purchase amounts according to the tolerance codes assigned to the purchase order.
- Register/Post. Print the Voucher Register and post the invoice information.

Entering a receipt of invoice

Use Enter Receipt of Invoice to automatically select lines from the purchase orders or returns that are available for invoicing when you enter vouchers, debit memos, or credit memos. If the purchase order is closed and you need to process a debit memo or credit memo, you must have the proper security access privileges to manually reopen the purchase order.



Release numbers

To retrieve an existing purchase order with an attached release number, you can use the Navigator, or you can enter the purchase order number and press Ctrl + - (hyphen) to go into the release number field. You cannot tab into the release number portion of the purchase order number.

Tracking returns

You can create debit memos to track the return of goods to the vendor. You can track two types of returns:

- Return for replacement. Increases the quantity returned based on the quantity you enter for the line item. This does not reduce the quantity received.
- Return for credit. Increases the quantity returned based on the quantity you enter for the line item.

Therefore, the quantity open for a line equals the quantity ordered minus the quantity received plus the quantity returned.

Voucher defaults

When you enter an existing purchase order or return number, much of the voucher information defaults from the related purchase order.

Selecting

If you select Invoice Complete in Set Up PO Options, the **purchase order lines** system selects open lines from the purchase order for invoicing. You can view the lines by clicking the ... (More) button on the Enter Receipt of Invoice header.

Select	PO Line	Item	Quantity	UOM	Unit Cost	Amount	Item Description
<input checked="" type="checkbox"/>	1	Blue Pen	3.000	Dozen	3.390	10.17	Blue Pens
<input type="checkbox"/>	2	Pencil	2.000	Dozen	2.240	4.48	Pencil

You can determine the quantities that default for the selected lines by invoicing in full or invoicing manually on the Select Purchase Order Lines window.

Invoice in full

When you invoice in full, the system multiplies the quantity remaining (still open) and the unit cost, plus any unit of measure conversion that is necessary, and automatically calculates the extended cost for the line.

Invoice manually

When you invoice manually, the system selects the open lines and sets the quantity to zero allowing you to enter a quantity.

Matching invoices to purchase orders

You can determine the way in which the system compares quantities and costs associated with invoices and purchase orders. The matching process verifies unit costs, extended amounts, and the total amount of the purchase order according to the tolerance codes assigned at both the purchase order header level and the line level. You perform this process by clicking Matching on the Process Receipt of Invoice batch entry window.

Match Status	Voucher	Item	Quantity Difference	Unit Cost Difference	Extended Amt Difference	On Hold
Success	0000000121	1.44 Floppy				
Success	0000000121	LAN Card				
Success	0000000121	Zip 100MB				
Success	0000000122	ACS48 Spkr				
Success	0000000122	Cat5 Jacks				
Success	0000000122	Cartridge				

Setup requirement

You must select Match Invoices To PO in Set Up PO Options to enable this button. If the button is enabled, then you must run matching before posting the batch.

Warnings and match failures

Invoice lines that do not fall within the specified tolerances cause warnings or match failures. You can post invoice lines that contain warnings; however, you must resolve match failures before you can post the invoice lines.

Tip: All invoice lines must be successfully matched or overridden before you can post the lines.

Matching process

The matching process sets the status of voucher lines to matched when they either:

- Pass all associated tolerance code checks and the purchase order is not on hold.
- Do not pass all associated tolerance code checks and the purchase order is not on hold, as long as you have specified that this type of tolerance check failure raises a warning rather than a match failure.

Resolving match failures

If a purchase order is on hold or does not pass all associated tolerance code checks, the invoice line is not assigned a status of Matched and is not selected for further processing. You can resolve a match failure in one of the following ways:

- Change the quantity or cost on either the purchase order line or voucher line.

- Reassign the tolerance code on the purchase order header or line.
- Take the purchase order off hold.
- Remove the link from the voucher line to the purchase order line (a hard override).
- Apply a soft override.
- Delete the invoice line from the invoice.
- Delete the invoice from the batch.

Warning: If you apply a soft or hard override to an invoice line, the line is excluded from the matching

process.

You must have security event permission to reassign tolerance codes, take the purchase order off hold, remove the link from the invoice line to the purchase order line, or apply a soft override.

Applying overrides

If you encounter errors during matching, you can override the matching process in one of two ways:

- Hard override, which removes the purchase order from the batch.
- Soft override, which accepts the purchase order with the existing errors and continues the matching process.

Note: You must have the proper security rights to perform overrides.

Unmatching lines

Unmatching of lines can occur in the following ways:

- Changing a purchase order or pending invoice can set the status of a matched or soft-overridden pending invoice line to Unmatched.
- Changing the purchase order's currency exchange rate, hold status, unit cost, extended amount, or unit of measure on any individual line unmatches all pending invoice lines related to the purchase order.
- Changing the quantity, unit cost, extended amount, or unit of measure unmatches a pending voucher line.
- Drilling around to change an invoice line or purchase order line. If this occurs all invoices associated with the purchase order must go through the matching process

again.

- Changing the matching tolerance code on a purchase order or purchase order line.

Tip: All invoice lines in a batch must be matched in order to be posted.

Each time you rerun the matching process, invoice lines that were previously set to Matched are unmatched.

Processing multiple invoices against a receipt

You can apply multiple invoices against a single receipt. If you have Inventory Management, the system handles cost tiers differently for multiple invoices depending on the item's valuation method. If you select FIFO (First In/First Out), LIFO (Last In/First Out), Average, or Actual as the valuation method for an item, the system maintains a single cost tier for a receipt when you apply multiple invoices with different unit costs to the receipt.

The following examples explain the effect on the cost tier when you apply multiple invoices with different unit costs to an item with a valuation method other than Standard. Refer to the *Inventory Management* guide and the Help for more information on cost tiers.

Cost tier examples

Your company purchases, sells, and maintains an inventory of clocks.

The following two examples explain the effect on the cost tier when you apply multiple invoices with different unit costs to an item with a valuation method of LIFO, FIFO, Average, or Actual.

- **Receive and invoice the items with no difference in unit costs.** You purchase 10 clocks at \$10.00 each. You receive all 10. Your original cost tier shows the value of your inventory for the 10 clocks is \$100.00. You receive an invoice for 8 clocks for \$80.00. The next day, you receive an invoice for the 2 remaining clocks for \$20.00. The value of your inventory does not change.
- **Receive, then invoice the items before selling them.** You purchase 10 clocks at \$10.00 each. You receive all 10. Your original cost tier shows the value of your inventory for the 10 clocks is \$100.00. You receive an invoice for 2 clocks for \$24.00, creating a difference of \$4.00 for the cost of the 2 clocks. Your cost tier changes to 10 clocks for \$104.00 to reflect the discrepancy. The next day, you receive an invoice for the remaining 8 clocks for \$20.00 each, creating a total difference of \$80.00 in the cost of the 8 clocks. Your cost tier adjusts once more to reflect 10 clocks for \$184.00.

The following two examples explain the effect on the cost tier and the Purchase Price Variance account when you apply multiple invoices with different unit costs to an item with a valuation method of LIFO, FIFO, or Actual.

- **Receive, sell, then invoice the items in full.** You purchase 10 clocks at \$10.00 each. You receive all 10. Your original cost tier shows the value of your inventory for the 10 clocks is \$100.00. Before you receive an invoice, you sell 8 of those clocks. Your cost tier adjusts to reflect that the remaining value of your inventory for the 2 clocks is \$20.00. You receive an invoice for all 10 clocks for \$120.00. The difference between what was invoiced and your original cost tier is \$20.00. Since 2 clocks remain in inventory, the inventory value adjusts to reflect how you invoiced the remaining inventory. The value of your inventory for the 2 clocks becomes \$24.00. The remaining \$16.00 is applied to your Purchase Price Variance account.
- **Receive, sell, then invoice the items multiple times.** You purchase 10 clocks at \$10.00 each. You receive all 10. Your original cost tier shows the value of your inventory for the 10 clocks is \$100.00. Before you receive an invoice, you sell 8 of those clocks. Your cost tier adjusts to reflect that the remaining value of your inventory for the 2 clocks is \$20.00. You receive an invoice for the 8 clocks for \$96.00. The difference between what you were invoiced and your original cost tier for 8 clocks is \$16.00. Since 2 clocks remain in inventory, the inventory value adjusts to reflect how you invoiced the remaining inventory. The value of your inventory for the 2 clocks is \$24.00. The remaining \$12.00 is applied to your Purchase Price Variance account. You then receive an invoice for the 2 remaining clocks for \$24.00. The effect on inventory is to add an additional \$4.00, which is the difference between what was invoiced and the original cost tier.
This brings the value of your inventory to \$28.00.

Posting invoices

After you enter receipt of invoices, you can post the information to Accounts Payable. Before you post the invoices, verify the accuracy of the batch by printing and reviewing the Accounts Payable Voucher Register. If you exit Process Receipt of Invoices after you print the register but before you post the batch, you must reprint the register when you reenter the batch before you can post.

Posting options

You can post invoices in either Process Receipt of Invoice or Post PO Batches. If you post invoices through Post PO Batches, you can print the Accounts Payable Voucher Register and post the batch without having to access Process Receipt of Invoice. If you post invoices through

Process Receipt of Invoice, you can print the register, verify its accuracy, make any necessary corrections, and then post the batch.