



Division of Financial Affairs Payment Request: Process Overview

SOP Owner: Accounts Payable

Revised: 09/12/14

Standard Operating Procedure

Payment Requests (Purchase Order Invoices)

- PREQ e-doc Payment Method selected is ACH/CHECK
- PRNC e-doc Payment Method selected is Wire or Foreign Draft

Unlike other KFS documents, general ledger entries for these documents are created prior to final approval. Upon submission by A/P Staff or creation of PREQ via electronic invoice, dis-encumbrance and accounting entries are generated as G/L “pending” entries and post in the nightly G/L batch cycle.

Payment Request Initiation:

- Input centrally by Accounts Payable Staff
 - Initiator of PREQ will be NetID of AP staff
 - Image of invoice is attached as doc # to the PREQ/PRNC doc
 - Input by Electronic invoices from Vendors
 - Initiator of PREQ will be KFS (system generated)
 - Generally no attachments; the PREQ is considered the vendor’s invoice
 - If the electronic invoice fails any matching criteria on the Purchase Order (PO), an EIRT (Electronic Invoice Reject e-doc) is generated. AP staff must research the error and take action.
 - Approved EIRT generates a PREQ doc
1. A valid invoice is required to be processed against the PO. Invoice(s) should reference the PO, payee name, remit address and item detail from PO. Statements, Quotes and emails are not a valid invoice. A pdf file is acceptable instead of paper copy.
 2. The invoice issued by the vendor is entered into KFS. The payment method on the PREQ is determined based on the Default payment method from Vendor file. The PREQ will default to ACH/CHECK if payment method not defined on vendor doc.

Payment Request: Process Overview, continued

Purchase Order Line Item Totals		
Encumbrance excluding freight & s/h	56.70	Total Encumbrance Amount Released
		0.00
		TotalPaidAmount
		0.00

Only AP Staff can change the Payment Method on the document. Upon document submission, PO line item details (open quantity, amount paid, etc.) are adjusted to reflect materials/services that have been paid and the 'ap-approved' timestamp will be updated. General ledger Doc type will be a **PREQ** which extracts to PDP.

3. The PREQ is eligible for approval at this point and will route to appropriate Action list. The FO or FO delegate will have these buttons available on the bottom of the PREQ.
 - a. Hold
 - b. Request cancel
 - c. Send ad hoc request
 - d. Save
 - e. Approve

Placing a PREQ on Hold requires a note and then a Remove Hold button will be available. The person who placed the hold or AP Manager can remove the hold. The hold prevents it from being extracted for payment.

The FO or FO delegate may choose to request cancel of the PREQ should not be approved. A note is required explaining why. The actual cancellation is done by AP staff. The Request Cancel action does not route to AP Action list. AP will use the PREQ doc search to look for these requests.

4. Fiscal Officers (FOs) and FO delegates have the ability to change their own accounts to another of their own accounts on a PREQ. If fiscal officers change accounting strings or redistribute the charges within their accounts, G/L entries are generated to reverse the original accounting entries and new entries using the revised accounting are created. Encumbrance entries are not altered.
 - a. If the department completes all of the approvals through Workflow, the payment request status is updated to 'Department-Approved' during post-processing.
 - b. If the document is automatically approved through the auto-approve batch script, its status is updated to 'Auto-Approved'.

Payment Request: Process Overview, continued

5. A PREQ remains in the Purchasing module until the pay date, at which time it will be eligible for extraction to the Pre-Disbursement Processor (PDP) via a batch job that runs three times a day. The Extract date will be updated on the Invoice Info tab.
6. If invoice indicates payment should be issued in foreign currency or International Wire, AP staff will change the payment method to Wire Transfer. This selection requires the Wire Transfer tab to be completed. If required bank information is not on the invoice, AP staff will contact BSC/FTC staff for assistance. Once Wire tab is completed, invoice image is attached and doc is submitted. General ledger Doc type will be **PRNC** and it does not extract to PDP. It routes based on workflow.
7. The PRNC is eligible for approval dependent upon workflow at this point. Fiscal Officers (FOs) and FO delegates have the ability to change their own accounts to another of their own accounts on a PRNC. If fiscal officers change accounting strings or redistribute the charges within their accounts, G/L entries are generated to reverse the original accounting entries and new entries using the revised accounting are created. Encumbrance entries are not altered. After the department completes all of the approvals through Workflow, the PRNC routes to Tax if required, with status of "Awaiting Tax Approval". After Tax approval the status updates to "Awaiting Treasury Manager Approval".
8. Treasury will review PRNC and initiate wire and foreign currency payments outside of KFS in the bank system. Treasury has the ability to change the account distribution to reflect foreign currency conversion costs. If adjustments are made, pending General ledger entries will post in the nightly G/L batch cycle. The PRNC status will be "Department-Approved" once Treasury approves it. Treasury can also disapprove and reversing entries would generate.

Note: The paid field on View Payment History tab for payment method of Wire does not update to yes, after Treasury processes payment and doc is in Final Status.

PREQ #	Invoice #	PO #	PREQ Status	Hold	Request Cancel	Vendor Name	Customer #	Amount	Pay Date	PDP Extract Date	Paid?
472984	077106714	203010	Awaiting Fiscal Officer Approval	No	No	Crystec GmbH		12,862.50	08/26/2014		No
472983	0770106614	203010	Awaiting Fiscal Officer Approval	No	No	Crystec GmbH		11,080.00	08/26/2014		No
441151	0770075314	203010	Department-Approved	No	No	Crystec GmbH		13,148.50	07/18/2014		No
441149	077075514	203010	Department-Approved	No	No	Crystec GmbH		17,257.50	07/18/2014		No
441148	0770075414	203010	Department-Approved	No	No	Crystec GmbH		30,321.90	07/18/2014		No
431043	0770063414	203010	Department-Approved	No	No	Crystec GmbH		15,524.90	06/20/2014		No
431038	0770063314	203010	Department-Approved	No	No	Crystec GmbH		14,897.00	06/20/2014		No
405313	077040214	203010	Department-Approved	No	No	Crystec GmbH		25,924.90	05/02/2014		No

Payment Request: Process Overview, continued

The same is true in the PREQ search results for Wire. Paid will say “No” when doc is final.

Document/Notification Id	Document Description	Organization Document Number	Payment Request #	Invoice Number	Purchase Order #	Payment Request Status Description	Hold	Request Cancel	Vendor	Customer #	Pay Date	Extract Date	Paid	Chart Code	Account Number	Organization Code	Ledger Document Type	Total Amount	Route Log
SB67339	PO: 329743 Vendor: CEZ Archaeometric g G		467730	00000014181	329743	Department- Approved	No	No	CEZ Archaeometric g GmbH		08/30/2014		No	IT	A533300	2153	PRNC	1,950.83	
SB61858	PO: 339675 Vendor: Bennett Hay Ltd		467148	bn1238	339675	Department- Approved	No	No	Bennett Hay Ltd		09/16/2014		No	IT	1088341	0116	PRNC	5,106.80	
SB97260	PO: 279534 Vendor: Stanton- Greenwood, An		466554	INV072914	279534	Department- Approved	No	No	Stanton- Greenwood, Angela		08/28/2014		No	IT	3233620	0323	PRNC	5,160.92	

9. When PREQ loads to PDP, the status is OPEN (unpaid). If vendor has a Payee ACH

Account active in PDP, the disbursement type will be ACH. If no ACH account exists then check will issue.

10. AP Staff (with PDP Processor or PDP Manager) runs the format ACH/Check Process in PDP. Batch jobs run to complete the format process to create payment files to send to bank. The Payment status is now EXTRACTED for both ACH and Check payments. ACH files are created daily, Monday through Friday. Check files are created and sent to bank on Monday and Thursday. Checks are printed and mailed on Tuesdays and Fridays.

11. Disbursement information from PDP is added to the PREQ e-doc on the Invoice Info Tab. This is system generated and will update payment information on the PO e-doc, View Payment History tab. Clicking on the Disbursement Info button will display the payment detail from PDP.

The screenshot shows the 'Invoice Info' tab with various fields. A red arrow points to the 'Extract Date' field, which is highlighted in yellow and contains the text '08/28/2014 11:13 PM' followed by a link 'disbursement info'. Other fields include Invoice Number (71929), Pay Date (08/29/2014), Invoice Date (08/05/2014), PO End Date (06/30/2015), and Bank Code (DISB).

12. All ACH/Check payments are stored in PDP. Access to the PDP Payment Inquiry is limited to KFS Users with the PDP customer contact role. This includes individuals with the FTC/BSC Role.

Notes:

- AP will not be authorized to make accounting changes.
- Email to send invoice image as pdf file is dfa-4040_invoice@cornell.edu
 - PO number should be on pdf file
 - PDF file should contain single invoice
 - Limit of 3 PDF files per email
 - Subject line should indicate RUSH if processing should be expedited
 - If invoice is for Deposit, to be paid at NET please include this in email
 - Indicate in email if payment should be Foreign Currency or International wire