Matching, Amending and Foreign Invoices in Accounts Payable
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1. **Matching an invoice to a purchase order**

**Overview**

- **Navigate:** Entry > Invoice Batches

Enter **control totals** and the **batch name** using the standard naming convention.

Click on **Invoices**

**Standard** remains as invoice type, enter the **PO Number** and **Tab**. This would default in Supplier. Supplier Number and Site.

1. Enter the **Invoice details**: date, number, invoice amount, VAT amount and **Description**
2. The Match Action should be defaulted to Purchase Order
3. Review how payment will be made

4. Click on **Match**
5. Ensure the PO number appears in the Find Purchase Order window. If it doesn’t, enter it manually into the Number field
6. Click on **Find**
7. **Tick** the **Match box** for each line you wish to match.
8. If necessary, overtype the **Qty** and **Unit Price** fields to reflect what appears on the invoice
9. Click the **Match** button and the Lines tab will display
10. Click on **Lines** tab again

12. If the item/s is over **£5,000**, and the item was tracked at the purchasing stage, the **Track as Asset** box will populate with a tick. Complete the CUFS Tag Number field (scroll to the right) with the number from the asset sticker provided by the Finance Division.
13. Click **Calculate Tax**.
14. Check that the figures agree by clicking on the **General** tab (there should be no red figures!)

Validate the invoice by clicking **Actions …1**, tick the **Validate** box and click **OK**.
Why match and pre-requisites

When you enter a supplier invoice for which a CUFS purchase order was raised, you should match it to the order to remove the commitment from your departmental accounts.

If the purchase order relates to an off payroll worker you will receive a message in UFS when you process the invoice. The invoice should instead be sent with the completed UPS4 form to Shared Services to be entered onto UPS.

This Supplier is an Off-Payroll Worker. Invoices should be processed via Payroll.

Copies of certain invoices relating to grants will need to be sent on a weekly basis to the departments contact in the Research Operations Office with the RG number clearly marked on the invoice. Departments will be advised as to which invoices they require copies off.

Pre-requisites:
- Your purchase order must have been generated on CUFS;
- The purchase order must be approved and open;
- The invoice must be for the same supplier and currency as the purchase order.

Step 1 Transfer invoice details to the system

a. Create a batch using the standard batch naming convention

b. In the invoices window, the invoice type stays as **Standard**

c. Complete the **PO number** The system will insert the details of the relevant supplier from the purchase order.
d. Enter the following information from the invoice:

- invoice date
- invoice number
- total invoice amount
- total VAT Control Amount
- description

e. Leave the Match Action field as the default Purchase Order.

**Step 2 Review how the invoice will be paid**

a. Review how the invoice will be paid:

- Payment terms
- Payment methods
- Pay Groups
- Pay Alone check box

**Step 3 Match to the Purchase Order**

a. Click on the Match button

b. Ensure that the PO number appears in the Num field.

c. Click on Find

d. The matching window will open. This displays the item lines from the purchase order.

e. Tick the Match box for each order line that you wish to match to the invoice.

f. Compare against the invoice and amend if necessary:

- Qty invoiced
- Unit price

The default values are from the order. To match correctly, the quantities and amounts must reflect what appears on the invoice; therefore you may need to overtype some of the fields here.
Step 4  Review lines, check assets and calculate tax

a. Click on the Lines tab, and the system will have automatically created the item/s for you, based upon what was entered on the purchase order, with the relevant tax code and description.  
   
   It will not have calculated VAT.

   Check if the item is an asset and whether the Track as Asset box has been ticked.

   If the item was incorrectly flagged on the PO see page 15.

b. Scroll to the right to complete the mandatory CUFS Tag Number field. Enter the next available number from the sticker provided to your dept by the Finance Division. Additional Fixed Asset fields can be found by scrolling to the right, these are not

Note:
If Freight was missed off the original purchase order then you can tick the Freight/Misc box, but only for one of the lines it relates to. You can then prorate the freight once you have completed the match process, which is covered later in the manual.

g. Click the Match button.  You will return to the invoice window ready for the next step.
mandatory. Please note that once the invoice has been accounted you are unable to go back and amend the Track As Asset field. If you do the opposite error message will display.

c. **Save** then click **Calculate Tax**. If you want to see the account codes for the item line/s, click on the All Distributions button.

If you fail to remember to click the Calculate Tax button your totals will not equal.

d. Click on the **General** tab and check that the total figure isn’t in red!

*If you have Calculated Tax and the totals still don’t agree then this could be due to:*

~ the invoice relates to more than one order;  
~ there is an item on the invoice that wasn’t on the order e.g. a delivery charge  
~ there is a tax-rounding error  
~ the wrong VAT rate was used on the order  
~ some other mistake

e. Close the distributions window and **validate** the invoice in the normal way via Actions ... 1.
2. Additional charges

If you receive an invoice from a supplier that includes freight, or some other miscellaneous charge on it, you can allocate this cost to the same code as the item or a separate freight/misc. charge account. However, if you would rather split this charge between some of the items on the invoice and put it to their charge accounts you can use this feature. This is known as prorate.

There are various ways of adding freight or a miscellaneous charge when processing an invoice.

<table>
<thead>
<tr>
<th>Options</th>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adding the additional charge at the match screen</td>
<td>Assigns cost to same code as the item you select</td>
<td>Cannot manually amend the code on the lines screen to charge the cost too</td>
</tr>
<tr>
<td>Adding the additional charge on the Lines tab</td>
<td>Provides you with the flexibility to input a code to charge the cost too. Can prorate</td>
<td>Just a few more fields to complete!</td>
</tr>
</tbody>
</table>

Adding a freight/misc. charge to a single item line at the match screen

Pre-requisite:  
1. Enter the invoice in the normal way  
2. Click on the Match button and match the invoice lines to the PO lines

It is quite possible that you will receive an invoice with an additional charge that was not included on the original purchase order.

a) Once you have ticked the Freight/Misc. box for the relevant item line, the Freight/Misc box will display.

b) Tick the relevant box. Complete the Amount field and amend the Description field to something relevant.

c) Click OK to return to the Match to Purchase Orders screen.
d) Click Match and the Invoice Workbench displays.

e) Click Lines tab to view the item and freight/misc. You won't be able to view the account codes on this screen. That is done via All Distributions.

Refer to Prorate charges if relevant

f) Finally Calculate Tax, and approve in the normal way.

Adding a freight/misc. charge on the lines tab

Pre-requisite:
1. Enter the invoice in the normal way
2. Click on the Lines Tab
3. Manually enter all item lines and codes

a. Once all item lines have been added on the lines tab, click in the next line down and amend the Type to Freight or Misc.

b. Ensure you select the correct Tax Name and input the account code you wish the charge to be costed too.

c. Finally Calculate Tax, and approve in the normal way.

Adding and prorating additional charges

You cannot prorate charges that have pulled through from a Purchase Order. Once you have manually added in your freight line, you can prorate the charge in a number of ways:

- Fully prorate against all/some item lines
- By amount
- By percentage
Pre-requisite:
1. Enter the invoice
2. Either match the invoice to the PO or manually add the item lines

a) On the **Lines** tab, ensure your cursor is in the freight line and click **Allocations** to display the Allocation Rules screen.

b) Click on the drop down arrow in the **Type** field and select how you wish to prorate the charge.

c) **Tick** the lines you wish to allocate the charge too.

d) Click **OK**. The Lines tab displays with all the item and freight lines and the system would have calculated tax.

e) To view all lines, click **All Distributions**.

f) Validate your invoice and check holds.
3. Amending matched invoices

The following are the most common amendments relating to matched invoices:

- Coded to the incorrect account code or project
- Wrong tax code used
- Where the gross amount was entered on item lines as opposed to the nett value
- Forgetting to track an asset

Please do not request a colleague to amend the original purchase order within iProcurement, these changes are to be made within the Accounts Payable module.

It is essential that you follow the processes accordingly.

Incorrect account code

1. Once you have matched the invoice to the purchase order and the lines screen has populated, click on All Distributions to make note of the account code/project information you wish to amend.

2. Close out of the screen

3. Click in the Line you wish to amend and click the Add Record icon. A new line will display

4. Scroll to the PO Number field and delete the number.

5. Enter the net amount in negatives that you are removing.

6. Enter exactly the same coding information as the line you are taking out in the Charge Account field or if it is to a project complete all the Project fields.

7. Click Add Record again to insert a new line and scroll to the PO Number field and remove the PO Number (if you don’t the system will try to match again).
8. Re-enter with a positive amount and the correct account code/tax name/project information. Update the description.

9. **Calculate Tax.**

10. Click **All Distributions** to display all the lines to check that the coding is correct.

11. **Actions … 1 and Validate.**

---

**Incorrect tax code**

1. Match the invoice to the PO as per normal.

2. Make sure the correct value is entered in the **VAT Control Amount** field in the invoice header – overtype if necessary.

3. Click **Lines** tab.

4. Overtypate the **Tax Name** field to what is on the invoice, assuming that is correct. If it isn’t correct then liaise with the supplier, they will either issue a new invoice or send a VAT credit note if it shouldn’t have been charged.

5. Click **Calculate Tax.** (It doesn’t matter if you have already calculated tax with the incorrect tax code as the system will make the relevant correction). You will get an error message if you are amending from 0% tax rate to a 20% tax rate – it’s simply asking you to check which code is correct.

6. It is strongly advised that you click on **All Distributions** to check that tax has calculated accordingly to the code you selected.

7. **Actions … 1 and Validate.**

8. Check **Holds**
If an order was raised with Services Tax and then when matched in AP the tax name was amended to EC20% and a positive value was entered in the VAT control amount, the system will generate more tax lines than it should. Two of which would have been netted of, which is correct, but another positive VAT line will display which is incorrect. The reason for this error is due to an amount being entered in the VAT Control Amount field as well as changing the tax code.

To correct this, amend the tax code back to what it was (i.e. services tax) on the item line and calculate tax. Remove the value in the VAT Control Amount field and enter 0.00. Re-enter EC20% as the tax name in the item line and then calculate tax. There should be no remaining positive VAT lines.

Incorrect price

If the discrepancy wasn’t picked up at the Match stage, complete the following steps:

1. Click in the line with the incorrect amount.
2. Click Discard Line button. A caution message may display which you click OK to.
3. The amounts revert back to Zero.
4. Click on the General tab, which should then enable the Match button to be used again.
5. Complete the Match process ensuring that you amend the price on the Match to Purchase Order screen to what is on the invoice.
6. Complete the remaining process by:
   a. Calculating tax
   b. Actions ... 1
   c. Validate
7. Only if the price differs by more than 10% will the invoice go on hold.
If an item line has populated as you matched in error, click in the relevant line and click ‘Discard’. This will reverse out the match of that line so that it is available to be matched at the time of receiving the invoice for the item.

**Forgetting to tick Track as Asset**

Once the invoice has been matched, and the item was not tracked at the purchasing stage then you have the following options:

If the invoice has not been validated
1. Manually negative out the line ensuring that the purchase order number field in the negative line is removed.
2. Enter a new line, ensuring that the purchase order number field is removed, the correct coding is entered, tick the Track As Asset box and enter the CUFS tag number.
3. Calculate Tax and Actions …1 to validate

If the invoice has been validated
Contact the Fixed Asset Helpdesk on 66780.

**Applying a credit hold**

It is essential that you contact the supplier and advise that the invoice is on hold as you are awaiting a credit note for the error made on their part.

1. Once you have matched and there is a discrepancy on the supplier’s part, click on the Holds tab.

2. In the Hold Name field, click on the List of Values and select the relevant hold.

3. It is important that if you are manually putting transactions on hold that you run the Invoice on Hold report on a weekly basis and chase suppliers accordingly.
4. Grant amendments in AP

An adjustment is done in AP where:

- It is found that a supplier’s invoice or expenses form has been incorrectly coded to a research grant; or

- Where expenditure was originally charged to a GL code and this now needs to be transferred to a grant.

This will enable both the net and VAT elements of the expenditure to be transferred and allow the system to automatically establish whether VAT is chargeable to the new grant or not and make the necessary postings accordingly. Follow the procedures for correcting account codes.

Please note he invoice will need to be revalidated and re-secondary approved. When the invoice goes back through SIA it won’t trigger a duplicate invoice as the value of the invoice has not increased.

1) Enter a search criteria to query back the original invoice or expense and click Find.

2) Amend the coding by clicking on Lines tab.

   a) Ensure your cursor is in the Item line that you want to move.

   b) Click on the New icon and a new line will appear below the original.

   c) Scroll along to the right, if there is a number populated in the PO Number field delete it form this new line.

   Scroll to the left and enter a negative item line for the amount and to the same charge account/grant to reverse out the incorrect entry.

   Note

   • Do not use the ‘Discard’ button if the line has been matched to a PO
   • Amend the line description so the auditors know why you are moving it and who has authorised it.

   d) Click on the New icon (or click in the next available line down). Remove any reference to the PO number in the relevant field.

   Re-enter a new positive value item line detailing which grant the expenditure should now be charged to and update the description field again.

   e) Click on the Calculate Tax button.

   The system will then transfer the VAT according to the VAT status of the new grant.
3) **Re-save** the invoice.

4) Re-validate the Invoice by clicking on **Actions 1** button.

5) Close the invoice screen and return to the navigator window and redo **Secondary Invoice Approval**

   *This is really important and needs to be done to ensure that the costs are transferred to the grants module correctly even if the invoice was originally approved and paid beforehand – don’t worry it won’t pay the invoice twice as long as you don’t increase the value.*

An example screen shot after amendments
5. Processing an invoice from another department

Any sales invoices completed within the Accounted Receivable module by 5.30pm to another department are automatically transferred overnight by UFS to the AP module of the department they were addressed to.

Each day a PDF copy of any of these transferred invoice(s) addressed to your department will be emailed to a generic accounts email for your department. You will receive a separate email for each invoice.

Therefore, Internal AP Invoices are already on the system -do not manually re-enter them; you just need to locate them and specify which of your departmental accounts you wish to charge the items to (or which purchase order to match against).

NB. This process should not occur if the Sales department is an Associated Body. Any invoice from an associated body should be processed in the same way as external supplier invoice, as these are separate entities to the University.

Locate the Internal invoice within your AP module that corresponds with the hard copy that you have just received in the post…

a. Navigate: Entry > Invoices
   Enter the invoice number without the two letter department code.

b. Click on Find.
   This will take you into the relevant invoice.
   If you cannot locate it, please contact the Accounts Payable Helpdesk for further assistance on (7)66888.

Review the Invoice and specify to which of your departmental accounts you would like it charged to …

c. Review the invoice on the screen
   Please leave the Invoice Type as Standard even when matching it to a Purchase Order.

d. VAT Control Amount
   Enter 0

e. Invoice Description
   Update to something more meaningful as it will appear on department reports.

f. Click on the Lines tab
   The AP Invoice will have automatically allocated a line for each item of the invoice to a default clearing account code within your department. All of these charges will need to be coded to another account.
   NB. There should never be an outstanding balance on this code.

   !

   g. Ensure that the cursor is in line 1, click on the Discard Line1 button for each line of the invoice even if you are matching to an order.
   This will automatically set each of the item lines back to a value of zero.
Unprocessed internal trading payments

These invoices will appear on your Invoices on Hold report. Departments should run the report frequently to avoid any invoices being missed. They will also appear on the AP Holds and Unaccounted Transactions report which is distributed to key contacts by the Finance Division. At year end this report will be sent out weekly.

Procedure for disputed items

Where disputes regarding price, quantity or quality cannot be resolved between the purchasing department and the supplying department, arbitration will take place by the Central Accounting section of the Finance Division. The disputing department has the ability...
to place an AP invoice on hold. The Hold Name ‘Internal Dispute’ should be chosen from the List of Values.

- In a situation where a sales invoice is in dispute, an additional hold can be put on the Accounts Payable invoice. Selecting the Holds button in the Invoices window can do this.

- In the ‘Invoice Holds’ window an additional hold to the ‘Secondary Approval’ hold can be selected in the Hold Name field (i.e., Internal Dispute). The Hold Reason field will automatically be entered.

- Monitoring will be performed by the Finance Division to ensure invoices are validly placed in dispute. This would form part of their arbitration role and include the use of a central report highlighting all unapproved purchase invoices which are on a dispute hold and are over 14 days old.
6. Purchasing goods from the EC

Overview

Enter the batch name using the standard naming convention.
DEPT CODE/INITIALS/DD/MM/YR/UNIQUE REF

Click on Invoices

Leave the invoice type as Standard

Matching to a PO?
Complete the PO Number field and the supplier details will default in. The Match Action field towards the right will default in as Purchase Order.

Not matching to a PO?

Click on Lines Tab
The Item Line will default with information from the PO, tax code, and account code. If the item is over £5,000, tick the Track as Asset box and complete the FA fields.

Click Calculate Tax. You should see a negative tax line as well as a positive tax. To view the codes for all lines simply click on All Distributions.

Validate the invoice by clicking Actions …1, tick the Validate box and click OK. Click on the Holds tab to ensure secondary approval hold is placed on the invoice.
Processing an EC goods invoice

Goods purchased within the EC are subject to special international rules set by the EU to ensure fair trade across all the EC member states.

*When processing these invoices, a self-assessed tax charge equivalent to 20% is added if we are buying items that would have been standard rated for VAT in the UK. This is to ensure that there is no tax advantage in buying items from an EC supplier rather than a UK supplier.*

The invoice header

a. Enter invoice header as with a standard/matching invoice. Check that no foreign VAT is charged by the supplier.

   *E.g. check that a French supplier has not charged TVA (the French equivalent of VAT) on the invoice.*

b. Check the Invoice Currency. Make sure that this reflects the currency on the invoice, if not change it.

c. Complete the Invoice Amount and VAT Control Amount. Enter the total amount of the invoice and zero in the VAT Control Amount.

![Invoice Amount and VAT Control Amount](image)

e. Complete the Description field.

f. Complete the Match process if applicable.
In the Lines tab

g. Code the item line as normal, and select the correct EC rate in the Tax Name box and ensure you code to either GL or project.

Reminder:
- If the item would have been standard rated if you purchased it in the UK then select EC20.0
- If the item is not subject to UK VAT, then you must select NO UK VAT as the tax name unless it is medical exempt.

If the description is to be changed for any line then it must be changed before tax is calculated.

h. Click on the Calculate tax button.

The tax line/s will appear, together with a corresponding negative tax line called “GB Tax - Acquisition Tax”

This line is necessary for the University VAT calculation and should not be amended or removed.

i. Click All Distributions.

The item and all associated tax lines (Acquisition and EC tax) will display. The supplier will be paid as per the value of their invoice.

j. Click Actions …1 and Validate your invoice. Check for holds.

However, unless you have charged the items to GL accounts/projects which are ‘VAT recoverable’, the self-assessed ‘acquisition tax’ will be an additional cost to your department in the same way that VAT is normally.

Please remember to send a copy of invoices for goods purchased from the EC to the Tax section of the Finance Division, based at Greenwich House on Madingley Rise.
7. Purchasing services from outside the UK

Overview

AP Invoice Entry, Invoice Batches

Enter the batch name using the standard naming convention

Click on Invoices

Leave the invoice type as Standard

Matching to a PO?
Complete the PO Number field and the supplier details will default in.

Not matching to a PO?

Enter the Invoice details, checking that the correct invoice currency has pulled through. Input the Invoice Amount and enter 0 in the VAT Control Amount box. Complete the Description field.

Matching to a PO?
Click Match and the PO Number field will be completed. Click Find. Tick the Match field for the items on the invoice. If the qty and the match amount differ amend on this screen.

Click on Lines Tab
Enter the net amount of the item/s, Tax Name is Services Tax and code/s to a departmental account or grant.

Click Calculate Tax. You should see a negative tax line as well as a positive tax with the description of GB- Tax Service. To view the codes for all lines: click on All Distributions.

Validate the invoice by clicking Actions …1, tick the Validate box and click OK. Click on the Holds tab to ensure secondary approval hold is placed on the invoice.
Services Tax

You will need to provide the University’s VAT number (GB 823 8476 09) or the supplier will charge you VAT at the rate applicable in their country. This VAT charge will only apply to services outside the UK if the services are VATable in the UK. When a department buys a service from overseas (either from within the EC or beyond) it will need to ‘self-account’ for VAT at 20% if the service is VATable within the UK. A tax rate has been created in CUFS to deal with this change. The following example illustrates how the tax will apply.

The Finance Division buys tax advice from a French tax advisor for £1,000. The French tax advisor is given our VAT number and therefore does not charge French VAT. The invoice is entered on to CUFS and the new tax code is chosen.

This code generates two entries – one of which calculates a VAT amount (at 20% of the invoice value) to be paid to HM Revenue and Customs and the second an equivalent amount chargeable to the department (except where the charge is made against a VAT reclaimable account).

The total cost to the department, assuming no reclaim, is £1,200. The payment to the supplier will be £1,000.

The exceptions to this are:

- Service relating to land
- Passenger transport
- Right of admission to cultural/educational events including conference, seminar and course fees
- Catering services
- Hire of goods used outside the EC

The invoice header

a. This process is essentially the same as buying taxable goods from the EC, so follow steps A-F on page 5-6.

Remember to enter zero in the VAT Control Amount field.

In the Lines screen

b. Enter the net amount.

c. Select the Services Tax in the Tax Name field.
d. Review descriptions

If you wish to amend the description of any line then ensure it is done now as once tax is calculated you cannot amend.

e. Code to either a GL or project.

f. Click on the **Calculate Tax** button

The tax lines will appear, together with a negative tax line. This should not be removed or amended as it is required by the University Tax team.

g. If you would like to see all codes for all lines: click on **All Distributions**.

h. **Actions …1 and Validate.**

The supplier will be paid as per the value of the invoice.

However, unless you have charged the items to GL accounts/projects which are ‘VAT recoverable’, the self-assessed ‘tax’ will be an additional cost to your department in the same way that VAT is normally.
8. Processing an invoice from an Import Agent

When goods are purchased from outside the EC, the invoice from the supplier will not be subject to VAT and should be entered into the invoice screen with a tax name of 'NO UK VAT'.

However, the import agent will usually send an invoice for their charges together with VAT charged by Customs on the value of the imported goods and any import duty that they paid on our behalf.

The way CUFS works is that the system will calculate tax and allocate it across the item lines within the import invoice. This is fine if all the VAT from the invoice is going to one code. However, it will need amending if the invoice relates to original purchases that were costed against more than one code.

For example:
An invoice is received for £397.97 that comprises of

- Transportation Charges: £42.05
- Fuel Surcharge: £6.52
- Disbursement Fee: £22.00
- Duty Amount: £50.22
- VAT: £277.18
- Total: £397.97

Completing the Invoice Header

1. In this example, you would enter the invoice in the normal way with the invoice amount as £397.97, and the tax amount in the VAT Control Amount box as £277.18 as per screen below. In the Description field also make reference to the Customs No.

There are two different ways a department may enter information onto the Lines tab:
(i) Entering a line on CUFS for each separate cost identified on the import agent’s invoice (refer to next section); or

(ii) Amalgamating costs that have the same VAT rate and are charged to the same account/project into one line (refer to page 31/32).

The end result is the same although the information that is displayed on the screen varies subtly at different points. Follow the steps relevant to the way your department process import agents’ invoices.

**Entering each cost from the invoice individually**

Using the same example the invoice needs to be split between two codes as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>Code Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transportation Charges</td>
<td>£42.05</td>
<td>all to code A and SR20%</td>
</tr>
<tr>
<td>Fuel Surcharge</td>
<td>£6.52</td>
<td>all to code A and SR20%</td>
</tr>
<tr>
<td>Disbursement Fee</td>
<td>£22.00</td>
<td>split equally between code A and code B both SR20%</td>
</tr>
<tr>
<td>Duty Amount</td>
<td>£50.22</td>
<td>£32.55 to code B and £17.67 to code A and NO UK VAT</td>
</tr>
<tr>
<td>VAT</td>
<td>£277.18</td>
<td>£91.08 to code A and £186.10 to code B</td>
</tr>
</tbody>
</table>

2. Per cost, enter an item line ensuring:
   a. **Net amount** is entered.
   b. The relevant **tax name** is selected.
   c. The GL/Project code is as per the original purchase *(NB. the GL transaction code for Import Duty is EQEX).*
   d. The **Description** also includes the **Customs Number** from the invoice.

An example of what this would like look like for this scenario (please bear in mind that the screen only shows 5 lines at a time and this scenario would result in 6 item lines. Line no 1 is not displayed)

3. Once lines are entered **Calculate Tax.**
The system will allocate the amount of Import VAT proportionately across the handling costs that you have just entered from the import agent’s invoice.

However, it is not uncommon for different imported items to have different associated handling costs. Thus, the allocations of VAT by this method will not necessarily reflect the true proportion of the VAT that is associated with that imported item, as the VAT will have been calculated on its purchase value.

Therefore, you will need to manually amend the VAT attributed to each account code/project.

4. Ensure you know the item line numbers that have SR20% tax name and the account code/project that you wish to charge the VAT to (in this scenario lines 1 and 4).

5. Click in the system generated Tax line on the Lines tab that shows a positive monetary value.

6. Click Tax Details to display a screen similar to below.

7. Click in the line that has calculated a tax amount and click on Detail Tax Lines. The screen will display the item lines that had a tax name of SR20%.

It is important to remember which lines are being costed to the same code; in this scenario transaction lines 1-3 are to the same code and line 4 is to a different code.
8. Click in the **Tax Amount** field for the relevant transaction lines and amend to the amount of VAT that you would like to charge against the account codes that were used for that line.

9. Click **OK**, then **OK** again until you return to the **Lines** tab display.

10. Click on **All Distributions** and you should see that the specified VAT amount is now allocated to the relevant line you selected in step 8.

11. **Actions** … 1 to **Validate**.

12. Click on the **Holds** tab.

13. Override the **Tax Variance** hold by clicking on the **List of Values** in the **Release Name** field, the system will default in the relevant release name.

14. Override the **Tax Amount Range** hold by clicking on the **List of Values** in the **Release Name** field and selecting **Natural Account Tax OK**.

15. **Save** and the hold should now be **Secondary Approval**.

### Entering lines for amalgamated costs

16. Complete the following:
a. Add together all of the costs that are applicable to SR20% that are being posted to the same GL/Project code (should be the same codes used as per the original purchase) and enter the one amount, the tax code, the account code and description (which includes reference to the Customs Number). Enter the relevant number of lines accordingly.

b. Enter an item line for each of the duty amounts as NO-UK VAT. Code as per the original purchase. For GL codes the transaction code of EQEX is to be used for Import Duty lines. In the Description field enter any relevant information as well as the Customs Number.

An example of what this would like look like for this scenario

<table>
<thead>
<tr>
<th>Num</th>
<th>Type</th>
<th>Net Amount</th>
<th>Tax Name</th>
<th>Charge Account</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Item</td>
<td>59.57</td>
<td>SR20.0%</td>
<td>UUJ LIAA AAAAA E0C20000</td>
<td>DELIVERY ADV.</td>
</tr>
<tr>
<td>2</td>
<td>Item</td>
<td>32.55</td>
<td>NO UK VAT</td>
<td>UUJ LIAA AAAAA EQE02000</td>
<td>IMPORT DUTY</td>
</tr>
<tr>
<td>3</td>
<td>Item</td>
<td>11.00</td>
<td>SR20.0%</td>
<td>UUJ LIBA AAAAA EQE02000</td>
<td>CUSTOM NO ...</td>
</tr>
<tr>
<td>4</td>
<td>Item</td>
<td>17.67</td>
<td>NO UK VAT</td>
<td>UUJ LIBA AAAAA EQE02000</td>
<td>CUSTOM NO ...</td>
</tr>
<tr>
<td>5</td>
<td>Tax</td>
<td>0.00</td>
<td></td>
<td>UUJ LIAA AAAAA EQE02000</td>
<td>IMPORT DUTY</td>
</tr>
</tbody>
</table>

17. Once all lines are correctly entered, Calculate Tax.

The system will allocate the amount of Import VAT proportionately across the handling costs that you have just entered from the import agent’s invoice.

However, it is not uncommon for different imported items to have different associated handling costs. Thus, the allocations of VAT by this method will not necessarily reflect the true proportion of the VAT that is associated with that imported item, as the VAT will have been calculated on its purchase value.

Therefore, you will need to manually amend the VAT attributed to each account code/project.

18. Ensure you know the item line numbers that have SR20% tax name that you wish to charge the VAT too (in this scenario line 1 and 3).

19. Once tax has been calculated, click in the system generated Tax line on the Lines tab.

20. Click Tax Details to display a screen similar to below.
21. Click in the line that has calculated a tax amount and click on **Detail Tax Lines**. The screen will display the item lines that had a tax name of SR20%.

22. Click in the **Tax Amount** field for the relevant item lines and amend to the amount of VAT that you would like to cost against the codes that was used for the item lines.

23. Click **OK** until the **Lines** tab displays.

24. Click on **All Distributions** and you should see that the specified VAT amount is now allocated to the relevant line.

25. **Actions … 1 to Validate.**

26. Click on the **Holds.**
27. **Override the Tax Amount Range** hold by clicking on the **List of Values** in the **Release Name** field and selecting **Natural Account Tax OK**.

28. **Override the Tax Variance** hold by clicking on the **List of Values** in the **Release Name** field, the system will default in the relevant release name.

29. **Save** and the hold should now be **Secondary Approval**.

**Inputting the item lines to a single code**

For a straightforward import invoice where you are coding the VATable and NO-UK VAT lines to the same codes (excluding the Transaction code), you enter the header and lines as you would a standard invoice:

- Add value of items that are all applicable to SR20% and enter the line information to the relevant code.

- Add value of items that are applicable to NO-UK VAT, which is the **Duty Amount** and code accordingly with a transaction code of EQEX.

Once all lines are entered **Calculate Tax**. The system will allocate all of the tax to the code used for the VATable line. **Override the holds.**
9 International Payment Orders (IPO’s)

Overview

AP Invoice Entry > Invoice Batches

Enter the batch name using the standard naming convention

Click on Invoices

Leave type as Standard

Matching to a PO? Complete the PO number field and supplier details will populate. Complete remaining information e.g. invoice number, amounts, tax information, and description.

Not matching to a PO? Enter the Invoice details e.g. supplier details, invoice number, amounts, tax information, description.

Scroll to the right and amend the pay group to Transfers F

Matching to a PO?
- Click on Match
- The PO number appears in the Find Purchase Order window. If it doesn’t, enter it manually into the Number field
- Click on Find
- Tick the Match box for each line you wish to match.
- If necessary, overtype the Qty and Unit Price fields to reflect what appears on the invoice

Line Tab
Enter the net amount of the item/s, tax type and the relevant tax code/s to a departmental account or grant.

Click Calculate Tax, validate invoice and check holds.
Background information and charges

This is an electronic method used to pay company invoices/staff expenses with non-UK bank accounts. They can be sterling and foreign currency payments.

It is appropriate to order an IPO:

- For Transfers to bank accounts outside of the UK, in sterling or other currencies.
- For Transfers where we are paying foreign currency to a UK account

For Standard IPOs you will not need to attach a form, only sending the invoice/expense form/payment voucher to make the payment, along with clear and full bank details and any relevant backup. However, you will need to attach a Non-Standard IPO form if any of the following apply:

- You are paying the invoice in advance.
- You are not paying the full invoiced amount.
- You have agreed to pay all or none of the bank charges

For departments using Shared Services

Send all IPOs directly to Shared Services using your usual method (either by email or by wallet).

For departments not using Shared Services

1. For all IPOs in GBP, EUR and USD you will need to record the transaction on CUFS following the guidance below.
2. Then send all IPO requests directly to Shared Services, Finance Division, Greenwich House through the UMS or by scan to the email address IPO@admin.cam.ac.uk

When discussing IPO’s it is important to consider how the bank charges are to be paid. Sterling and non-Euro Currency payments will attract a UK charge, a beneficiary bank charge and occasionally intermediary bank charges. Departments can elect to pay just the UK charge, all or none of the charges. Any charges not paid by the University will be deducted from the amount sent. The bank charges which departments agree to pay will be posted to departments accounts periodically via journal.

Generally we only pay our own bank fees and not the payee’s fees. Should you wish to deviate from this please use the ‘Non Standard Process’ IPO cover sheet: https://www.finance.admin.cam.ac.uk/files/ipo_non_std_2019.pdf

The majority of Euro IPO’s will be sent via the SEPA (Single Euro Payments Area) transfer system. SEPA covers all 28 European Union member states plus Iceland, Liechtenstein, Norway, Switzerland, San Marino and Monaco.

For Example, the UK charge for sterling payments is £4.70, for EUR payments €2.23 and for Dollars $6.15. The current bank charges can be found on the finance division: https://www.finance.admin.cam.ac.uk/key-dates-and-rates/international-payment-orders-igos-bank-charges
All IPO's must be sent either by email to IPO@admin.cam.ac.uk or sent via UMS to Shared Services, Finance Division, Greenwich House with:

- A clear copy of the invoice signed by HoD or authorised delegate.
- IPO header sheet (if outside of standard terms as mentioned above).
- Ensure that the invoice includes full payment instructions provided by the beneficiary either on the invoice or the optional template (https://www.finance.admin.cam.ac.uk/files/ipo_bnk_det_tmp.xlsx)
- A detail of the full currency amount or GBP sterling equivalent to be sent.

**Processing the item**

a) Input the invoice for the amount to be transferred (excluding any charges we are required to pay) and match to the PO if relevant.

b) Amend the Pay Group to Transfers F and the Payment Method should be Check.

c) Click on the Lines tab, ensuring correct tax code and account codes are inputted Calculate Tax and Validate the invoice

d) Take a screen shot of the line and print it as this will need to be sent to cashier along with the other documentation.

**Completing the IPO form**

The IPO form is only required for non-standard payments. For example, if we are not paying the full invoiced amount, if we are paying none of both of the bank charges, or if the payment is being made in advance.

The IPO form can be found on the Finance Division web page under Forms, IPO Non-standard header sheet.

The following information will be need to be completed on the IPO form

- Beneficiary must be on supplier database
- Full beneficiary bank account name
- Full beneficiary bank account number or beneficiary bank account IBAN code (mainly European countries)
- Full beneficiary bank name and address or swift code (NB payments to USA – also provide routing/ABA number)
- Currency required
- Full currency amount or GBP sterling equivalent to be sent
- Payment reference e.g. invoice No
- Supporting Documents e.g. copy of relevant invoice

Once Shared Services have received the form and documentation, the information will be transferred, payment made and the department will receive a confirmation of the transfer.

More information can be found in the Financial Procedures Manual, Chapter 7, Section 3
10. Running month-end reports

A number of tasks have to be carried out as part of the departments AP month-end procedures.

- **Invoices on Hold Report (UFS)**: lists invoices placed on hold for you to review and action as necessary. This must now be run on a weekly basis in addition to month-end.
- **Invoices Register (UFS) Report**: lists invoices not primary validated to be investigated.

<table>
<thead>
<tr>
<th>Responsibility:</th>
<th>AP Invoice Entry or Manager</th>
</tr>
</thead>
<tbody>
<tr>
<td>Navigate to</td>
<td>Other &gt; Requests &gt; Run</td>
</tr>
</tbody>
</table>

**Invoices on Hold Report (UFS)**

Once you have navigated via the above path the **Submit a New Request screen displays**.

1. Simply click on OK to a **Single Request**.

2. The **Submit Request** screen displays. This is where you select the name of the report you wish to run.

3. Highlight the **Invoice on Hold Report (UFS) – XML Publisher** and click OK.

4. The Parameters screen displays. No additional fields need to be entered, however, you can use the date ranges to narrow the report down.

5. Click OK and the **Submit Request** screen displays.
6. Next step is to change your printer copies to zero, as it is strongly recommended you run the report to the screen before you print it. The default output of running the report is to PDF, however, you can request the output in an excel format. To change copies and amend the output, click on Options.

7. The Upon Completion screen displays.

8. If you wish to amend the output from PDF to Excel, click in the PDF format field and from the List of Values select Excel.

9. To change number of copies automatically printed, amend the copies to 0.

10. Once changes made click OK.
11. The Submit Request screen displays.

![Submit Request Screen](image1.png)

12. Click **Submit**. The **Requests** screen displays, where you click **Refresh Data** until the Phase shows as completed.

![Requests Screen](image2.png)

13. Click on **View Output**.
   a. If you left the default format output as PDF, the report will open in a **PDF** view, from which you can then print.
   b. If you amended the output to Excel, a message will display asking if you wish to Open or Save it. Click **Open** to view the report in Excel format.
Example of report output

<table>
<thead>
<tr>
<th>Invoice on Hold Report</th>
<th>Report Date</th>
<th>2020-02-21 12:53</th>
</tr>
</thead>
<tbody>
<tr>
<td>Host Name</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supplier Name</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Order Date</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Email</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Email</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Example of report output**

**Action points from this report**

- All invoices on this report should be investigated. Once all holds have been released, the report should be run again to ensure all invoices are processed prior to the financial year end.

- Where the holds are valid and current, efforts should be made to enable the invoice to be released from hold.

- Holds for any other reason are to be released to enable the invoice to be paid or the invoice should be cancelled.

<table>
<thead>
<tr>
<th>Invoice Number</th>
<th>Supplier Name</th>
<th>Invoice Date</th>
<th>Amount</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Finance Training
Version 10.0
Feb 2020
Invoice Register

**Invoices Register (UFS) Report** lists invoices not primary validated and therefore either require cancelling as the transaction has been entered in error or it is a valid transactions and requires completing and validating.

**Responsibility:** AP Invoice Entry or Manager
**Navigate to:** Other > Requests > Run

Once you have navigated via the above path the **Submit A New Request screen displays.**

3. Click on **OK** to a **Single Request.**

![Submit A New Request]

4. The **Submit Request** screen displays, which is where you select the name of the report you wish to run.

5. Enter **Inv** in the **Name** field and press **Tab.** Select the **Invoices Register (UFS)** from the list and click **OK.**

![Select Report]

6. Enter the required parameters, click **OK.**

![Enter Parameters]

7. Click on **Options** button and amend copies to 0 to run the report to the screen.
8. Click **OK**

9. Click **Submit**

10. On the **Requests** screen click **Refresh Data** until phase is completed.

11. Click **View Output**

An example output of the report.

```
AP Holds and Unaccounted Transactions report

At the end of every month Central AP will email depts. a list of invoices that still require some form of action, whether it be to primary validate an invoice, Secondary approve an invoice, release a hold or even cancel an invoice.

In addition to the report they will also attached a list of the various AP holds and what action is to be taken to over-ride the hold.

This report is sent in addition to the **Invoice on Hold** and the **Invoice Register** reports that you have run yourselves.
```
Please ensure that you deal with the invoices promptly on the report, and if further advice is required please contact the AP helpdesk.
## 11. Releasing holds on invoices

There are many reasons why the system may put a hold on an invoice and prevent it being approved for payment.

<table>
<thead>
<tr>
<th>These can be split into the following:</th>
<th>Each has its own way of being dealt with</th>
</tr>
</thead>
<tbody>
<tr>
<td>• The purchase order, the receipt and the invoice do not match.</td>
<td>If there is a matching problem some of the holds will require you to go back and correct a document (e.g. receipt the goods) others need to be manually released</td>
</tr>
<tr>
<td>• Discrepancy between the invoice and line totals</td>
<td>Review the lines, check that the net amount was inputted and not the gross.</td>
</tr>
<tr>
<td>• An individual somewhere has manually put a hold on paying this invoice for particular reason.</td>
<td>Find out why they have put it on hold.</td>
</tr>
<tr>
<td>• High value hold where an eInvoice was for over £2000</td>
<td>Review the invoice and check to see if it is a fixed asset and appropriately flagged. Once satisfied manually release the hold.</td>
</tr>
<tr>
<td>• The transaction has been coded to a grant but failed funds check</td>
<td>Ascertain which line has failed and liaise with departmental Grant Administrator (refer to Appendix A)</td>
</tr>
<tr>
<td>• It is awaiting Secondary Invoice Approval (SIA).</td>
<td>This is normal and the hold will automatically be released once it has been secondary approved.</td>
</tr>
</tbody>
</table>

### Manually releasing holds on an invoice

a. Select the invoice which has a hold(s) on it.

b. Click on the **Holds** button

   Review the holds that have been put in place for this invoice
Is it a Quantity Received hold?

Check with the buyer whether the items have actually been received.

**Items received….**
Get them to receive the items within iProcurement. Once they have done this you can re-validate the invoice and the system will lift the hold.

*NB. If this is not done, the purchase order will remain open and commitments may stay on a grant.*

**Items not received….**
Leave the invoice on hold and do not pay until the items are delivered.

**It’s a service where we have to pay in advance (e.g. to attend a conference)…**
Manually release the hold as detailed below.

c. **Click in the Release Name box next to a particular hold.**

    **Alternatively**

    **Click on the Release 1 button**

    Pick the most appropriate release name from the list of values and the system will automatically enter the Release Reason for you.

    Again select from the list of options available.

    *NB. The system will make a note every time you manually release a hold, and various reports can be obtained showing who has released what holds.*

    **Has an individual manually stopped payment by putting it on hold within the schedule payments tab?**

To remove this, simply un-tick the hold box and Save.

*NB: Remember that the Secondary Approval hold is normal and will be released automatically once your secondary approver has approved the invoice.*
Appendix A: Insufficient funds hold (Grants)

When coding lines in AP to a grant, if the transaction is not being matched to a purchase order, it is possible for one or more lines to fail funds checking due to insufficient funds when the invoice is validated.

Follow the steps below to ascertain which line/s has failed funds checking.

**Responsibility: AP Invoice Manager**

Pre-Requisite: Invoice entered, primary validated with insufficient fund hold

1. Ensure your cursor is in the line of the *Invoice Header* and navigate to *Actions* in the tool bar and click on *Check Funds*.

2. A decision box displays advising of the insufficient funds fail.
   
   Click *View Results*.

3. The *Budgetary Control Results* screen displays with information relating to the fail.
   
   a. **Line Reference**: This will be the line of the AP transaction
   
   b. **Result Message**: why it has failed
   
   c. **Base Amount**: Line amount

To view all lines that have failed funds check, amend the **Order By** to *Funds Result Status*.

4. Liaise with your department’s Grant Administrator to ascertain where the expenditure can be coded to and then follow instructions on how to amend a matched or non-matched invoice.