Processing an external supplier’s invoice (no purchase order)

An over view of the invoice process is below:

Step 1: Create a batch

Responsibility: AP Invoice Entry/ Manager
Navigate: Entry ➔ Invoice Batches

All invoices are entered onto the system in batches, even if it is only a batch of one invoice. Different batches should be used for different types of invoices, e.g. sterling, foreign invoices and credit notes.

a) Complete unique Batch Name
   ~ in upper case
   ~ in following format:
   DEPARTMENT CODE/YOUR INITIALS/ DD/MM/YY/UNIQUE NUMBER
   This will appear on your reports and will help you and others locate batches.

c) Complete the Control Count
   - the physical number of invoices that you are going to enter in batch.

d) Complete the Control Amount
   - the total value inclusive of VAT of all the invoices you are going to enter in batch

e) Save and click on Invoices.

Control values are manually calculated before you start entering invoices into CUFS. As invoices are entered, the system will compare the running totals with what has been entered initially as a control. If there is a discrepancy, the system warns you when you exit a batch but it does not prevent Approval and payment of the individual invoices within the batch.

Investigate and either make a correction immediately, or return to adjust the invoice batch later.
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Step 2: Enter the invoice

Each line in the Invoices window represents a separate invoice within the batch. There are four stages involved in entering an invoice for which the system does not have a purchase order.

Transfer details from the invoice to the system

Review how the invoice is to be paid

Specify the charge account/project that it is to be allocated to

Validate

Transferring details from the invoice to the system

a) Accept ‘Standard’ as the Type

Enter either the Supplier Name or number.

If you enter one of these identifiers the system should default in the other field for you.

b) Check the Site.

If the site does not default in, you must select the relevant site from the list of options.

This is where the invoice payment will be sent – compare against the address the supplier has specified on the invoice if they are to be paid by cheque.

You may receive a message informing you that the supplier is an Off-Payroll Worker. If this is the case then you will have to find the UPS4 form which has been completed and the invoice will have to be sent to Shared Services for processing onto UPS.
c) Enter the **Invoice Date** as per the invoice.

d) Enter the **Invoice number** as per the supplier's invoice.

e) Enter the **Invoice Amount** - the gross amount of the invoice i.e. the item amount plus VAT.

f) In the **VAT Control Amount** field enter the total VAT amount as shown on the invoice.

   If no VAT has been charged on the invoice you must enter zero in this box.

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**Do not include any amounts that are not UK VAT**

*The system will warn you and will not accept duplicate invoice numbers for the same supplier.*

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**Review how the invoice is to be paid**

Continue on the same line but scroll along to the right.

a) Review the **GL Date**.

   You may need to change this after month end if you need to post the expenditure back into the previous accounting period. You have three working days at the beginning of every month to do this.
b) Review the **Terms.**

This defaults in from the supplier set up and is normally 30 Days (see our terms).

c) Review the **Payment Method.**

Payment method cannot be updated by departmental users from the default.

d) Review the **Pay Group.**

*This field tells the system which payment run to include the invoice on. There are several types: for sterling supplier invoices the system default of 'Supplier' will normally default in*

e) If you would like the cheque to come back to the dept, click in the **Chq Dest** field and amend to D.

Only tick if you require a separate cheque for this particular invoice.

f) Consider the **Pay Alone** tick box

*If you want the cheque returned to your depart, you will also need to change the Cheque destination field as mentioned previously.*

g) Click on **Lines** tab

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**Input the account information**

a) After clicking on the **Lines** tab the following window will display.

b) Complete the **Net Amount**

Enter the amount **before tax** of each item that you want to charge to a particular account or project.

c) Complete the **Tax Name** field
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From the **List of Values** select the code relevant for the item *e.g. SR20%, EC20%, ME0%, NO-UK VAT, Services Tax.*

**d)** Enter the correct **accounting**

See the next pages for detailed steps on how to code for these items in your department
- Code to a GL account, Page 6
- Code to a Project account, Page 6
- Split expense over codes, Page 8

**e)** Amend the **Description** for each item line.

**f)** Tick the **Track as Asset** box if you are buying an asset costing over £5000. Assets are items such as equipment, machinery, furniture, vehicles that the University is likely to keep for more than a year.

If you have ticked the **Track As Asset** box, ensure you scroll along and complete the **CUFS Tag Number** field with the number from the tag sticker that can be found in your dept.

**g)** Click **Calculate Tax** and the relevant tax lines will be created. The system will not enter the charge account for the Tax line.

**Please note!** If you ticked the Track As Asset box but have not completed the CUFS Tag Number field, three prompt messages will display advising to complete the mandatory field.

Detailed guidance is available on *'Paying an invoice for a Fixed Asset'*. **

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**Where can I find these stickers?** Based upon departments fixed asset tracking history, stickers have been distributed to the majority of department accounts offices. If you are unable to locate them then please contact the Fixed Asset help desk.
h) If you would like to see all item and tax lines coding information click on **All Distributions**.
To code an item to a GL Charge Account

a. In the Charge Account field type U and then press the tab key.

b. This will take you straight to the Accounting Flex field box.

   If you are unsure of any of the codes then click on the list of values for the relevant field and search for appropriate options

   - department code
   - the cost centre

   Your two digit CUFS department code

   Often these will have been hand written on the invoice by whoever has manually authorized the invoice to say that the goods or services have been received.

   *If you still have doubts as to which cost centre or source of funds code to use please speak to either your head of accounts or the person who ordered the items.*

To code an item to a Research Grant/Project

a) Ensure that the Charge Account field is blank.

b) Scroll along to the right hand side of the line until you reach the Project field.

c) Enter the project number that you wish to allocate the cost to.

   This starts with your 2 letter dept code. Either type it straight into the field or select it from the list of values.

   *If you have doubts as to which project to use please speak to either your head of accounts or the person who ordered the items.*

d) Select the Task from the list of values. This is linked to the Project you have selected - select the appropriate one.

e) Click on the list of values in the Award field. If there is only one award linked to that project it will default in, otherwise search the List of Values.
f) Complete the **Expenditure Type**. Select an appropriate category from the list of values.


g) Complete **Expenditure Organization**. Enter your 2-letter dept. code and press tab on the keyboard.

_A copy of this invoice maybe required as some sponsors request evidence of expenditure. If relevant, a pop up message will display advising that a copy of the invoice is required. Collate the invoices and send them weekly to your contact within the Research Operations Office. The RG number must be clearly highlighted on the invoice._

h) Enter **Expenditure item date**. This is the date of expenditure. If nearing the end of the project ensure that you enter the date that the goods were delivered or services performed. In other cases the invoice date or today's date will suffice.

i) Click on **Save**. The GL mapping code will now populate into the **Charge Account** field.

**Primary validate the invoice**

a) Click on **Actions… 1.** button The Invoice actions screen display

b) Click in the box for **Validate**.

c) Click **OK**

d) Invoice Status should be **Needs Revalidation**.

f. Click **Holds** tab It should state **Awaiting Secondary Approval**.

_Holds will be covered in AP2 course._

If there is more than one rate of VAT e.g. one item is SR20% and another is NO-UK VAT

Process the invoice and enter the total amount of VAT IN THE vat Control Amount field. On the Lines tab, enter a line for the VATable item with the relevant tax code, and a line for the non VATable item with the relevant tax code.
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Splitting cost over more than once code

a) Once on the Lines tab, you enter the net amount in the normal way, but instead of entering the GL code or project code information on the Lines tab, click on Distributions. The system may prompt you to save.

b) Once on the Distributions screen, enter the net amount that is being allocated to the first code.
   
   I. If coding to a GL complete the Account field.
   
   II. If coding to a project complete the Project fields.

c) Once the first line is completed, click in the next line down and repeat the process till all lines equal the total net amount.

d) Save your work and then close out of the Distributions screen.

e) Calculate Tax and Validate in the usual way.

Delivery Charges

Add an additional line on the Lines tab by clicking on the List of Values and selecting Freight and code it accordingly.

You can Allocate the delivery charge against more than one line then, this will be covered in AP Part 2.