

***Secondary Invoice
Approval***



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Introduction to Secondary Invoice Approval (SIA)

What is it?

- It is the process by which an invoice is moved from primary validation to 'approved' for payment.
- All invoices, after primary validation, automatically receive a secondary invoice hold and an invoice will not be passed for payment until this hold is released.
- Once released the invoice is ready to be included on the appropriate payment run and the payment is generated by the central Accounts Payable team within the Finance Division.

Why is it so important?

It is important to ensure any processing errors are identified to minimise the risk of payment being made incorrectly to a supplier or a member of staff. It is also an important control in the prevention and identification of fraud and ensuring that University funds are spent appropriately.

Who can carry out the SIA process?

SIA should be undertaken by individuals with an AP Invoice Manager responsibility, who did not undertake the initial processing of the invoice to ensure that there is a segregation of duties.

However, if due to the size of your department it is unavoidable that one person undertakes both roles, other controls should be in place within the department to ensure the validity of the transactions and the accuracy of the processing.

How do I get my responsibility on the LIVE system?

You must either complete the mandatory SIA training on-line or attend the advanced AP classroom course (AP part 4), which in addition to SIA also covers other more advance processes.

Once you have completed the training, you will need to liaise with your Department's key contact, as they will need to complete the online form and submit this to UFS_Users@admin.cam.ac.uk. Once UFS_Users have received this form and confirmed you successfully completed your training, your AP Invoice Manager responsibility will be given and you will receive an email notification.

eInvoices: Do I need to SIA these?

eInvoicing is a process where orders for typically low value, high volume, consumable items are purchased via the Marketplace in the iProcurement module to a specific range of suppliers. Instead of receiving paper copies of the subsequent invoices, electronic versions of the invoices are transmitted directly into the department's AP module overnight.

This process is relevant only for a handful of suppliers, a list of current e-invoice suppliers can be found via the link below.

<http://ufs.admin.cam.ac.uk/ssr/#eInvoicing>

Once in CUFS the invoice is automatically matched to its relevant purchase order, and if it all agrees and the goods have been receipted on CUFS, the system will automatically validate and secondary approve the invoice. Therefore, it will be ready and awaiting payment without anyone in the accounts needing to do anything.

The invoice within CUFS will look just like any other, except it has not been manually entered within a batch and certain fields in the header such as supplier's name, number and values will not be updateable.

Exceptions

Some eInvoices may be listed when you navigate to the Secondary Invoice Approval screen. The likely causes of this are:

- The invoice is over £2,000 so was placed on a high value hold and it may also relate to a fixed asset.
- A price discrepancy hold has been placed as the values differ by 5p per invoice line.
- That the tax rate differs between the original order and the subsequent invoice.
- The item/service has not been receipted with CUFS.

These holds should be investigated and resolved in the normal way: once this has been done the eInvoice will be automatically picked up by the overnight eInvoice process, revalidated and SIA the next morning.

However, if you wish you can manually SIA an invoice before this automatic process if it is displayed on the SIA screen at the time you are checking other invoices.

Understanding Invoice Pay Groups

The type of invoice that is being processed will determine the way the payment is made.

External Suppliers (including colleges)

This is the main pay group for the standard weekly supplier payment run. It is split into two Payment methods; either cheque or BACS (Electronic).

BACS These payments are sent directly to the supplier's bank account. This is becoming the most common payment method within the University. A remittance advice will be sent via e-mail to the supplier listing all the invoices the payment relates to. The payment terms "*End of Month + 30 days*" and payment method of "*Electronic*" **must not** be changed.

Some suppliers now electronically submit their invoices to the University and are interfaced directly into AP. These are all paid by BACS –please refer to the previous section on eInvoicing.

Check Where we do not currently have the supplier's bank account details on file the payment method of Check (American spelling) defaults in and they will be paid by cheque.

Internal Suppliers

This is purely for internal trading and should only appear on screen when dealing with an invoice from another University department, e.g. from Department of Plant Sciences.

Pay Alone

The Pay Alone pay group is run every Friday: This is only for urgent payments and simply indicates that you require the cheque returning to your department.

If you require a single cheque for a particular invoice you must also tick the pay alone tick box on that line.

NB: The tick box is vital as the payment process is not sub-ledger secure. If another department has entered an invoice for the same supplier and only the *Pay Alone* pay group has been selected then x number of invoices will be amalgamated into one cheque and the Central AP department will be unable to return the cheque to your department.

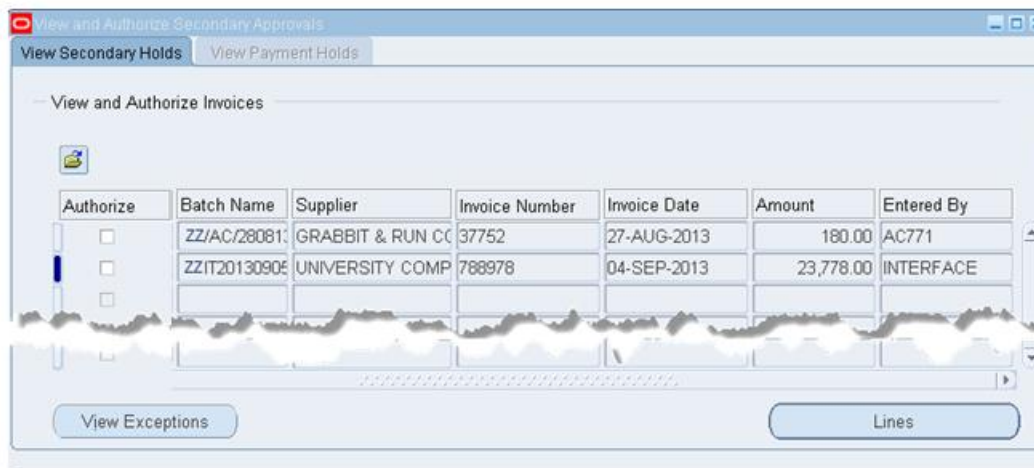
Current Payment Schedule

| Day | Start Time | Pay Group | Payment Method | Distribution Method | Currency |
|-----------|------------|-----------|----------------|--|----------|
| Monday | | | | None | |
| Tuesday | 9am | Supplier | Electronic | Build Supplier BACS Selects invoices with due date –Wednesday following the Monday payment date Payment date -the following Monday | GBP |
| Wednesday | 9am | Supplier | Cheque | Royal Mail - 2nd Class (Except the cheques for invoices which have cheque destination "D" as for Department. They go back to dept.) | GBP |
| | | | | Confirm Supplier BACs | |
| | 2pm | Supplier | Electronic | Build Priority BACS Selects only priority suppliers' invoices with due date – next Monday. Payment date -the following Monday | GBP |
| Thursday | | | | Confirm Priority BACs | |
| Friday | 9am | Pay Alone | | | GBP |
| | | Supplier | Cheque | Return to Dept. | Euro |
| | | Supplier | | | USD |

Logging into SIA and reviewing the SIA screen

Responsibility: AP Invoice Manager
Navigate to: Secondary Invoice Approval

1. Once you click on the task **Secondary Invoice Approval** a screen as per below will display with all your department's invoices that are awaiting secondary approval. This can take a few minutes to load depending on the size of the department.



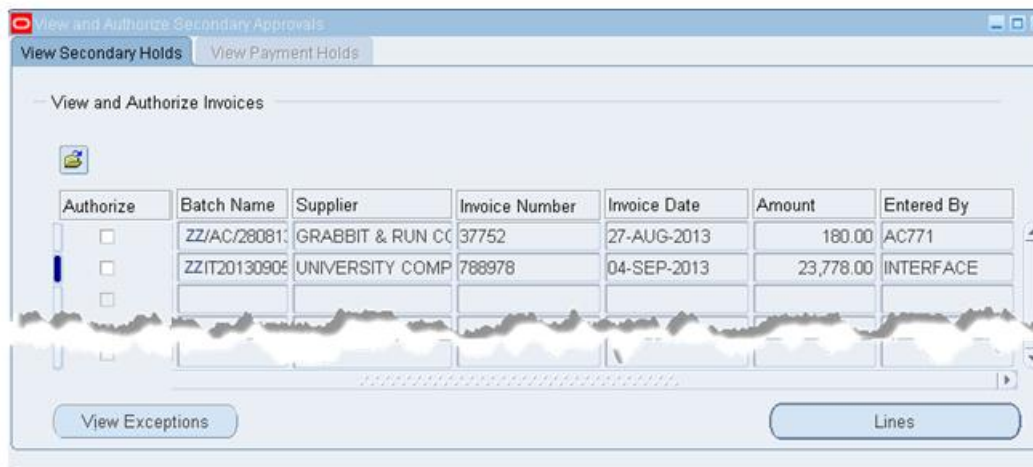
How can I quickly find a batch of invoices or a single invoice?

The screen will only display 12 invoices at a time therefore, not all invoices may be displayed. You have 2 options available:

- Simply scroll down the list until you find the invoices within the batch you wish to review.
- Query back a particular invoice or batch:
 - **PC User**
 - Press **F11** (this turns the line a darker blue),
 - Enter the search criteria into any of the blue fields (% acts as wildcard to assist)
 - Press **Ctrl F11**. If you wish to cancel the search press **F4**.
 - **MAC User**
 - Navigate to the toolbar **View, Query by Example, Enter** (this turns the line a darker blue)
 - Enter your search criteria into any of the blue fields (% acts as wildcard to assist)
 - Navigate to the toolbar **View, Query by Example, Run**

Invoices will display that match your search criteria.

What information is displayed on the SIA screen?



Batch Name For external invoices, expenses and credit notes standard format is
○ *Department code/inputter's initials/Day/Month/Year/Unique Ref.*

For internal invoices the system creates the batch name
○ *Department code IT Year Month Day*

For e invoices the system creates the batch name
○ *Dept code einv date(backwards!) time*

Suppliers Name

Invoice number and date

Amount This is the gross value of the invoice including any taxes

Entered by Who/how the invoice was entered onto the system. It will either be the CRSID of the individual who processed it, or INTERFACE if it has automatically been transferred into the system.

What if the invoice I am looking for is not listed/can't be found?

Don't assume that the invoice hasn't be loaded! It may not be awaiting SIA because it failed initial validation and some other hold was put on the invoice.

You have two options:

- i. Check by searching for the Invoice**
 - Return to the navigator menu : **Enquiry > Invoices**
 - Enter the invoice number or other search fields with a % at the start and end to assist with the search.
 - Click **Find**.

ii. **Liaise with the relevant colleague who inputs invoices**

If the invoice still cannot be found, then the invoice can be loaded into AP. However, a call can also be made to the AP helpdesk team asking them to double check that the invoice is not in the system.

I have already secondary approved the invoice so why is it displaying again?

There may be occasions where you are secondary approving an invoice that has already been through secondary approval.

This is often where an expense or invoice was coded incorrectly (especially in relation to a grant) and an amendment has been made which then requires revalidation and re-SIA to take effect.

As long as the actual value of the invoice or expense has not increased (which it shouldn't have!) then once it has been secondary approved again it will not generate a duplicate payment to the supplier or the individual.

Do I have to check every single invoice before I secondary approve it?

In an ideal world every invoice will be checked before SIA is completed.

A pragmatic approach is required as it depends on the number of invoices awaiting approval, values of invoices and who has processed them. If due to large volumes you are unable to thoroughly check each invoice prior to authorising then a risk based approach and regular spot checks are strongly recommended.

Viewing an Invoice in detail

Have the invoices in front of you

It is vital to have the original invoices in front of you that require approval. This is to assist in checking that the information from the invoice was inputted into CUFS correctly and to ensure that the invoice itself is valid.

How do I view an invoice in more detail?

It's as simple as placing your cursor in the relevant line and double clicking in one of the fields.



The screenshot shows a software window titled "View and Authorize Secondary Approvals" with two tabs: "View Secondary Holds" and "View Payment Holds". The main area is titled "View and Authorize Invoices" and contains a table with the following data:

| Authorize | Batch Name | Supplier | Invoice Number | Invoice Date | Amount | Entered By |
|--------------------------|--------------|------------------|----------------|--------------|-----------|------------|
| <input type="checkbox"/> | ZZ/AC/28081 | GRABBIT & RUN CC | 37752 | 27-AUG-2013 | 180.00 | AC771 |
| <input type="checkbox"/> | ZZIT20130905 | UNIVERSITY COMP | 788978 | 04-SEP-2013 | 23,778.00 | INTERFACE |
| <input type="checkbox"/> | | | | | | |

Majority of the fields are straight forward and self-explanatory. The fields that need checking will vary depending on the invoice type you are checking. This page is just to show you what the screen looks like, the next few pages will list in more detail what fields need checking.

Invoice Workbench (CAPSA PD: AP Invoice Manager)

Batch Control Total Batch Actual Total

CUFS INVOICES

| Type | PO Number | Supplier | Supplier Num | Site | Invoice Date | Invoice Num | Invoice Curr | Invoice Amount | VAT Control Amount | VAT |
|----------|-----------|-----------------|--------------|---------|--------------|-------------|--------------|----------------|--------------------|-----|
| Standard | 1739388 | LANDMARK OFFICE | 240552 | NEWPORT | 11-MAR-2014 | 87923SNM | GBP | 1,382.11 | 230.35 | |

1 General 2 Lines 3 Holds 4 View Payments 5 Scheduled Payments 6 View Prepayment Applications

Summary

| | |
|---------------------|----------|
| Items | 1,151.76 |
| Retainage | |
| Prepayments Applied | |
| Withholding | |
| Subtotal | 1,151.76 |
| Tax | 230.35 |
| Freight | 0.00 |
| Miscellaneous | |
| Total | 1,382.11 |

Amount Paid

GBP 0.00

Status

Status Needs Revalidation

Accounted No

Holds 1

Scheduled Payment Holds 0

Description

FURNITURE

Calculate Tax All Distributions

Invoice Workbench (CAPSA PD: AP Invoice Manager)

Batch Control Total Batch Actual Total

CUFS INVOICES

| VAT Amount | Discountable Amount | Description | GL Date | Payment Rate Date | Match Action | Quick Credit | Credited Invoice | Pa |
|------------|---------------------|-------------|-------------|-------------------|----------------|--------------------------|------------------|----|
| 230.35 | 1,151.76 | FURNITURE | 11-MAR-2014 | 11-MAR-2014 | Purchase Order | <input type="checkbox"/> | | Ge |

1 General 2 Lines 3 Holds 4 View Payments 5 Scheduled Payments 6 View Prepayment Applications

Summary

Items 1,151.76

Amount Paid

GBP 0.00

Status

Status Needs Revalidation

As well as the fields, additional information can also be found on the Tabs, Lines tab being very important! All of which will be explained in more detail throughout this manual.

What to Check When Approving

Before ensuring that the invoice has been entered into CUFS correctly there are additional checks to be made.

University Financial Regulations

- Is the payment in line with the University's Financial Regulations e.g. if the invoice is to a supplier and it is over the value of £100 it should have had a purchase order raised in iProcurement and the invoice should be matched to it.
- Have the correct procurement procedures been followed to ensure that competitive bids were received based on the purchasing values outlined in the regulation.

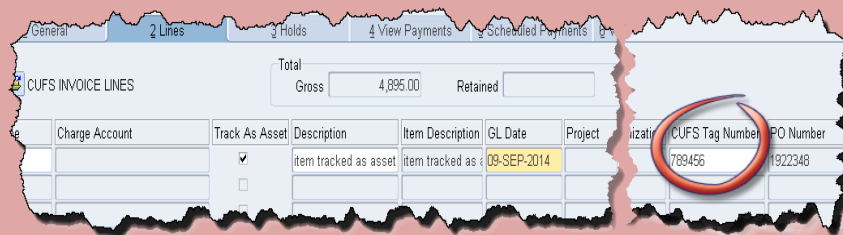
| Total Value (before VAT) | Procedure for inviting offers | | |
|--|--|--|-----------------------------|
| | Framework Contracts | Marketplace | Other purchases |
| <£1,000 | Follow procedures recommended by Procurement Services for the contract. | Only the price from the Marketplace is required. | Written price confirmation. |
| £1,000 - £25,000 | | | Three Written Quotes. |
| >£25,000 - £50,000 | | Three Written Quotes or three Written Proposals, depending on complexity, risk and value of the purchase (see the guidance in Procurement Procedures). | |
| >£50,000 | Three Tender Submissions. | | |
| >£100,000 | Procurement Services must be consulted/involved and agree the most appropriate procurement method. | | |
| EU Thresholds (updated biennially) as at January 2014 >£172,514 (goods and services) >£4,322,012 (works) | EU Tenders managed through Procurement Services. | | |

Financial Procedures

- If an item is over £5000 and will be within the University for 12 months or more then it should be ticked in the AP module as a Fixed Asset and a CUFS Tag number entered. Where possible extra information in terms of serial number and warranty number can also be entered
- If it is an expense claim it should be in line with University's expenses policy, refer to Financial Procedures Chapter 5b.
- Sterling invoice over £10k and USD or Euro invoice over £5k must be faxed through to the AP team as these payments require countersigning by the Finance Division.
- A copy of the invoice for any goods and services purchased from the EC needs to be sent to the Tax section of the Finance Division, based at Greenwich House on Madingley Rise.

Pre-Requisites: Finding the Invoice you wish to SIA (pages 8-9)

| Invoice Type | What to look out for |
|------------------|---|
| For all invoices | <p>Invoice Header</p> <ul style="list-style-type: none"> ○ PO Number field has been entered: if not why not? <ul style="list-style-type: none"> ▪ <i>Is the invoice below £100?</i> ▪ <i>Is the value genuinely not known in advance e.g. utility bill, taxi fare?</i> ▪ <i>Is this a simple oversight as it should have been matched to the PO? If so the order must be closed in iProcurement to prevent double accounting. Has this been done?</i> ○ Supplier name, number and payment site is same as invoice. ○ Invoice date and number is the same as the invoice. ○ Invoice currency is correct. ○ Invoice amount: Gross value including all taxes. ○ VAT control amount is the VAT amount as per invoice. ○ Description is appropriate. ○ The Payment <p>Lines Tab</p> <ul style="list-style-type: none"> ○ Correct Tax Name(s) used. ○ Net amount for the item ○ If coding to the GL <ul style="list-style-type: none"> ▪ <i>has the correct cost centre, source of funds and transaction code been used.</i> ○ If coding to a Grant <ul style="list-style-type: none"> ▪ <i>has the correct project information been used</i> ▪ <i>is it appropriate expenditure for that project.</i> ▪ <i>Is the expenditure item date within the active period of the grant</i> ▪ <i>If it is for an EC7 (MACA source of funds) or NSI (MANB) grant then VAT or any other government taxes <u>should not be</u> charged to the grant.</i> ▪ <i>The VAT element will be transferred to the dept. by the Tax Office, Finance Division as an additional cost</i> ○ If it is Fixed Asset (over £5k and within University for 12 months or more): <ul style="list-style-type: none"> ▪ <i>Has the Track as Asset box been ticked? If not the Fixed Asset team, Finance Division will need to be contacted to advise them.</i> ▪ <i>Has the CUFS Tag number field been completed?</i> ▪ <i>If known have the additional fixed asset field (serial and warranty number) been completed.</i> ▪ <i>All associated acquisition costs included.</i> ▪ <i>Has the value been netted of a part exchange?</i> |



- PO Number field completed if invoice matched to PO (scroll towards the right).

In addition to the above the following checks need to be made ...

Internal Invoice

Invoice Header

- Dept.'s name is the same as the invoice.
- Site is Main.
- VAT Control Amount is 0.00.
- Terms are internal.

Lines/All Distributions

- The default code U.XX.XXAA.GAAA.FKAA has been reversed out and correct codes (whether to dept. funds or a Grant) have been used.

Expenses

Checks to make prior to SIA

- Have any advances have been taken into consideration.
 - If expense is less than the advance a cheque should have been receipted into AR and an additional line in the same invoice batch entered for the difference.
 - If the expense claim is greater than the advance then the system will generate a cheque to the individual for the difference.
- Claims should be supported by documentary evidence and in line with University Policy. Refer to FPM Chapter 5b.
- Claims must be made on the official University claim form (FD1C) available from the Finance Division web site, Forms.
- Is the expense a taxable benefit? Refer to FPM Chapter 5b.
- Claims should not be signed off by the individual making the claim.

Invoice Header

- **Supplier name** is name of individual.
- **Site Address** will either be 'HOME' which is address of dept. or it will show the actual dept. address (If HOME populates navigate to Reports, View Employee Address to see exactly where the payment will be sent to)
- **Invoice date** and **number** (usually the date the expense was incurred, however, depts. may have their own convention) as per the expense form.
- **Invoice Amount** is the gross amount of the expense claim.
- **VAT Control Amount** will usually be 0 unless the claim includes a VAT invoice made out to the University.
- A detailed **Description** as to what the expenditure relates to.
- **Pay Group** is Supplier.

| | |
|----------------------------|--|
| | <p>Lines Tab</p> <ul style="list-style-type: none"> ○ Net amount with Tax Name of NO UK VAT, unless it an expense line relating to a VAT invoice made out to the University. ○ Correct code used for the actual expense. ○ Coding the expense to a Grant? It is vital that for each line of the expense a detailed description is entered e.g. <i>name of the individual, what the expense relates to and why the expense was incurred.</i> <p>This detailed information has been requested by our external sponsors to whom we have a duty to ensure that funds are spent in accordance with the terms and conditions of the award.</p> <p>What if tax has been calculated tax but a detailed description was omitted? Whilst the description field on the Lines tab can still be amended, it won't pull the updated information through to the Distribution screen and therefore it will not display on the sponsors billing report. If this happens then the description will need to be added via the Grants module, Expenditure Enquiry, and the Comment field for the relevant line.</p> <ul style="list-style-type: none"> ○ If an advance was taken check on All Distributions that a negative prepayment line displays with your dept. code and the transaction code of UNDF. The Track as Asset box will be ticked and this will be dealt with by the Finance Division. |
| <p>Advances</p> | <p>Checks to make prior to SIA</p> <ul style="list-style-type: none"> ○ Has an FD1B been completed in applying for an advance <p>Invoice Header</p> <ul style="list-style-type: none"> ○ Invoice Type is prepayment. ○ The Prepayment Type is Temporary <p>Lines Tab</p> <ul style="list-style-type: none"> ○ The system generates a default code (U.00.0000.0000.VGAA.0000) which is incorrect. This must be amended to U.XX.0000.0000.UNDF.0000 (XX being your dept. code). ○ The Track as Asset box will tick automatically but that will be dealt with by the Finance Division. |
| <p>EC Suppliers</p> | <p>Invoice Header</p> <ul style="list-style-type: none"> ○ Invoice currency. ○ VAT control amount should be 0.00. ○ Functional amount defaults in with sterling equivalent. <p>Lines Tab</p> <ul style="list-style-type: none"> ○ Tax name will either be EC20%, Services Tax, ME0.0% or NO UK VAT. ○ On the All Distributions screen a line should display for acquisition/ off-set tax. |
| <p>Import Agent</p> | <p>Invoice Header</p> <ul style="list-style-type: none"> ○ Invoice and VAT amount as per invoice. |

| | |
|------------------------------|---|
| invoice | <p>Lines Tab</p> <ul style="list-style-type: none"> ○ Item line for the relevant charge/s, with SR20% coded to same as item/service with a transaction code of EQDZ. ○ Item line for the import duty charge and select tax name of NO UK VAT and use the same account code as per the purchased item but with the transaction code of EQEX ○ All Distributions will show the tax allocation |
| International Payment Orders | <p>Two lines per IPO, one for the invoice and one for the bank charge. Ensure relevant forms and associated prints are completed and sent to the Finance Division.</p> <p>Invoice Header</p> <ul style="list-style-type: none"> ○ Invoice amount as per the invoice. ○ VAT control amount should be 0.00. ○ The pay group should be Transfers F ○ For the bank charge the invoice number is the same as the invoice but with /BANKCHRG at the end. Euro charge is 2.44, USD charge 7.90 and for sterling £5. <p>Lines Tab</p> <ul style="list-style-type: none"> ○ Tax name will either be EC20%, Services Tax, ME0.0%, NO UK VAT. ○ On the All Distributions screen a line should display for acquisition/off-set tax. |
| Credit Notes | <p>Invoice Header</p> <ul style="list-style-type: none"> ○ Invoice type is Credit Memo. ○ Amounts must be in negatives. ○ Reference in the description as to the original invoice number ○ Terms are immediate. ○ Account codes, whether to GL or grant must be the same as the original invoice. To do this you can query the original invoice via Enquiry > Invoices and navigate to the Lines tab. |
| VAT only | <p>Invoice Header</p> <ul style="list-style-type: none"> ○ Invoice amount as per the invoice. ○ VAT control amount should be the VAT amount (this will be the same figure as the invoice amount). <p>Lines Tab</p> <ul style="list-style-type: none"> ○ The line type is 'Tax' ○ Tax name will be that of the original item/service that the VAT relates to. ○ Account code will be that of the original item/service that the VAT relates to. |

To SIA or not!

1. Once all checks have been made and what is on the system matches to the original invoice/expense/credit memo, close out of the invoice screen to display all the invoices awaiting SIA.
2. If there are any discrepancies when checking the transaction, the payables processor must be advised and make the relevant changes.
3. Find the invoice and click in the **Authorize** box for the relevant line/s.



You can authorize more than one line at a time as long as all relevant checks have been made!

4. Click **Save**, which is in the menu bar.
5. The next stage is for the payment to be made on the next payment run nearest to the invoice due date from the Central AP team at Greenwich House.

SIA at Year End: extra checks

Invoices processed after 31 July should be classified between:

- July or earlier purchases (i.e. ONLY goods/services received on or before 31 July should be recorded in July accounts).
- August purchases (for the new accounting year).

Goods/services ordered in July or earlier but delivered/received in August are August purchases and must be recorded in August.

For invoices dated August that relate to July purchases where the goods/ services were delivered/received prior to the end of July.

- Ensure that the GL date on the invoice header screen and the invoice line screen is amended to 31 July 20xx, prior to approval of the invoice.
- **Do not** change the GL date shown against the VAT line.

For invoices dated August that relate to August Purchases.

- Invoices for August purchases should retain the August GL default date.

NB, The Accounts Payable module will continue to accept July and prior purchase invoices until the AP module closes at Year End. Thereafter, all invoices will have to be processed in the new accounting year.

Invoices relating to the current financial year received after the AP module closes 19 August should be 'accrued' as creditors.