Chapter 5: Non-Purchase Order Payments

This chapter covers online payment requests, one-time vendor payments, and recurring payments. In this chapter you will learn:

■ How to identify online payment requests, one-time vendor payments and recurring payments on your revenue and expense detail reports.
■ Recommended procedures for reconciling these types of payments.
■ How to use document numbers in ECC to drilldown on payment requests.
■ How to determine if payment has been made.

Online Payment Requests

Overview of Online Payment Requests
Non-purchase order payments are made by using the Online Payment Request in the web portal and FV60 (Park Incoming Invoices) in ECC. Once the request is completed, a check is generated by Accounts Payable Shared Services (APSSC). This process replaces the legacy paper check request forms. Since JHU has moved to a more risk-based approach for reconciliation, non-purchase order payments would be considered high risk transactions. Our normal internal controls are not utilized in this process (i.e., formalization of agreements through written contractual purchase orders, competitive bidding, etc.). Due to this inherent weakness in internal control, check requests are subject to closer scrutiny by auditors.

Supplies, repairs and purchased services should be handled through the procurement process (SRM). The Purchase Order Exception List, located on the Accounts Payable Shared Services website, contains items that do not require a purchase order. Users not properly distinguishing between purchases requiring a purchase order and those that fall on the exception list is a possible weakness in the online payment request process. The Purchase Order Exception List is located online at:

http://ssc.jhmi.edu/supplychain/exceptions.html
Recommended Processing Procedures

The department creates an online payment request from the original vendor invoice. Scanning is the method for attaching the invoice to the SAP document. Original invoices and receipts must be retained for seven years by the department because A/P does not have the original.

When an online payment request is parked, the system verifies that a duplicate invoice does not exist in SAP. The system will issue a 'hard stop' error message if the entry looks like a duplicate payment of the same vendor invoice.

Example:

An example of correct use of the online payment process is ordering continental breakfast and coffee service from The Daily Grind to be delivered for a lab meeting. The breakfast and coffee are delivered with the invoice. The Daily Grind is on the approved PO exception list (miscellaneous catering/food services for a meeting). The invoice is scanned by the department and a parked document is created in SAP for payment. The parked document goes through the approval process and is posted for payment. A check is cut and mailed to The Daily Grind. The process is complete.

Although this purchase is on the Purchase Order Exception List, setting up a PO is still an option. The list does not preclude anyone from using a PO when it makes sense.

The Approval Process

Workflow is designed to route a transaction for approval prior to its execution. Transactions that are properly approved through Workflow on the front-end require less documentation on the back-end. Current workflow for Online Payments route based on the Initiator’s home cost center. The approver opens the document in the Approver’s Inbox and should perform the following steps:

1. Look at the “Basic Data” tab for vendor, dollar amount and text description for appropriateness (Display 5-1, Number 1).

2. Click on the “Workflow” tab to see who prepared the transaction (Number 2).

3. Review the “text” field in the lower detail section. Note that this is the field that will populate the BW report (Number 3). The field supports up to 50 characters and should include relevant information—invoice number provided by vendor, name of person ordering the item, and a brief description of the item.

4. The “Text” field in the upper section holds 34 characters max and if preceded by an asterisk will print on the payment advice to the vendor (Number 4).

5. Review the Internal Order or Cost Center for allowability and funds availability.
6. Check the invoice date entered by the initiator to verify it is not for a date in the future. If a future date is entered in the invoice field, the payment will not release until that date arrives. For example, if 12/31/12 is entered instead of 12/31/11, the payment will not be released until 12/31/12.

7. Click on the document tab in the upper right and then the attachment tab and review the attached documents to ensure that the vendor, item and dollar amount agree with the transaction (Number 5).

8. If everything is in order, hit the “release” button to indicate Approval.

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**Display 5-1. Online Payment Approval in ECC**

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**The Reconciliation Process**

To begin, starting with the BW Sponsored or Non-Sponsored Detail report is most useful because only these provide the level of detail needed to reconcile. The reports received monthly via e-mail can be used or you may run a report from the pre-formatted options.

To format your own report, run the standard monthly BW Sponsored or Non-Sponsored Detail Report used for reconciliation purposes including the following free characteristics: G/L Account/Commitment Item, FI Doc number, Reference
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Doc number, Vendor, Item text, Posting date, Parked By. Online payment requests display on BW reports with 10 digit (FI) document numbers beginning with ‘19’ and the example we will use is 1900521865 (Display 5-2, Number 1).

In viewing the BW report, it can be helpful to bring in the vendor number because a number that begins with 2 automatically tells you that the vendor was set up for online payment (and not as a PO vendor which begins with a 1). To change the fieldname format on the Vendor field, right click on the Vendor field. Then choose Properties, then Text and Key. You have added the vendor number to the report (see Display 5-2, Number 2).

You will remember that during creation of this online payment request, the user filled in the text field in the Item (lower) area of the payment request, and this text has now carried forward to populate the Long Description field in BW (Item Text field for sponsored accounts) Display 5-2, Number 3—a very helpful tool to the reconciler of the statement.

![Display 5-2. Online Payment Request - BW Report](image)

In reviewing the BW Sponsored or Non-sponsored Detail Report, check whether the “Parked by User Name” field is populated (Number 4). If this person is in your department, the transaction has already gone through the Workflow/Approval process on the front-end. It can be checked off on the report and no further research is necessary. If “Parked by” is not populated, or if the person is from another department the following sections will provide information on how to further research the charge.

**Further Research of Online Payments-FB03**

If the reconciler wishes to research the online payment, the user can log into ECC and use transaction code FB03 (Display Document), and enter the Doc # found on the non-sponsored detail (or the FI Doc # found on the sponsored) and the fiscal year (Display 5-3). The document number will begin with a 19.
To find out who requested the online payment, click the hat icon (header) information at the top of the screen (see Display 5-3). We now see who created the document (Parked By), which AP staff member entered it (Entered by) and date information for various stages of processing. In Display 5-4 we see from the “Parked by” field that this payment request was created by Patrick Cornelison (PCORNEL4) in the department and entered by Lamona Valentine (LVALENT2) at APSSC. If the requester is appropriate to the budget charged and if the reconciler is confident that the charge is allowable to this particular budget, the reconciler should check off the charge on the BW report.
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Display 5-4. Using FB03 to Determine Initiator and Processor

To view workflow and the various stages and dates of approval, click the white icon to the left of Display Document Overview, then choose Workflow, then Workflow Overview (Display 5-5).

Display 5-5. Workflow view from FB03
To see the original invoice, from the FB03 screen, again click the white icon to the left of Display Document Overview, then choose Attachment List and double click on the AP Invoices PDF (Display 5-6). When viewing the invoice (shown below), use the buttons in the toolbar to scroll through all pages.

Display 5-6. Viewing Scanned Invoice from FB03

Confirming Vendor Payments

Confirming Payment Using FB03
To confirm payment has been made to a vendor, from transaction code FB03, drill down on the vendor payment line item and a screen appears that has payment clearing information (Display 5-7).
From this screen, the user can select Environment at the top of the screen and then Check Information (check number, date paid, date of encashment, etc.) will display as shown in Display 5-8.

Note that until the online payment request has been paid, you will not be able to see items such as the 'hat' (header) information on your screen. Additionally, if you were expecting an online payment to be posted in BW that is not reflected, you will want to contact A/P Shared Services with the SAP document number to inquire as to the status.
Select the Vendor Payment report found under the Additional Reports section. Using this report, you can generate a history of payments made to a particular vendor for a particular time period. From the BW Report formats section of the Finance Office website.

Select the Vendor Payment report found under the Additional Reports section. Using this report, you can generate a history of payments made to a particular vendor sorted by variants such as Business Area, G/L account, cost object, payment period, etc. For this example, payments to vendor 2019238 (The Daily Grind), for period 05/2008 from non-sponsored internal order 80014278 were selected and are shown in Display 5-9. You can see in the example that invoice number 3668 for $109.25 was paid to the Daily Grind during November 2007.
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Display 5-9. Using the BW Vendor Payment Report to Confirm Vendor Payment

Confirming Payment Using FBL1N

Another method of researching payments made to a particular vendor for a particular time period is ECC transaction FBL1N. The selection criteria vendor 2019238 showing all items for period 11/08/07 through 11/14/07 was used to run the report in Display 5-10. This report will give you status and due date information along with information such as Document No (the original FI Doc #), dollar amounts, clearing doc information and posting date and include any text the original requester added in the item area.

As you can see in Display 5-10 the online payment request for $109.25 to The Daily Grind was paid 11/8/07.

Display 5-10. Using the FBL1N Transaction to Confirm Vendor Payment
OneTime Vendor Payments

A second type of online payment is the OneTime Vendor Payment, otherwise known as a Non-Employee Travel Reimbursement Expense. While these payments are similar to the regular online payment request, there are a few noteworthy differences listed below:

- OneTime Vendor payments are used for non-employee reimbursements, patient refunds and student refunds.
- Very few departments have access to enter these kinds of payments. Instead they are processed by APSSC staff members based on either a prior arrangement, or submission of the Non-Employee Travel Reimbursement Expense Report Form by the department.
- While these payments post with a ten digit “19” document number, the vendor will always reflect ONETIME VENDOR in the Vendor field in BW non-sponsored or sponsored financial detail reports, while the long description will reflect the vendor’s name if referenced on the completed form.
- OneTime Vendor Payments can be researched and reviewed just like the typical online payment request.

Display 5-11. OneTime Vendor Payment reflected in Non-Sponsored Financial Detail
## Recurring Payments

A third type of online payment is the recurring entry, which is a business transaction that is repeated regularly for scheduled payments, such as rent or insurance payments. A Recurring Entry is defined as an invoice that is for the same amount of money, charged to the same Company-Business Area-Cost Center/Internal Order/WBS Element/G/L Account for a specific period of time, which is paid to the same vendor.

Recurring payments are directly entered by APSSC management based on source documents—contractual and lease obligations—from other divisions (Real Estate, Purchasing, Accounting, departments, etc.) using ECC transaction FBD1. Recurring payments allow for an automatic payment process by the system for payments that occur on a frequent basis. These postings can be scheduled periodically or on a specific date.

To recognize and research these payments, there are only a few differences you should note. Because these payments are systematically generated once set up, the 10 digit (FI) document number will differ from online payment requests in that it will begin with ‘15’ and not ‘19’. The example we will use is 1500005842 for $13,989.81 paid for rent from non-sponsored internal order 80000214 during November 2007. Note that the vendor number will still begin with ‘2’—this example using 2051491.

In viewing the BW Non-Sponsored Financial Detail for fiscal period 005/2008, we see that there will be no Long Description (Item Text field for sponsored) and the “Created by” field will always be SCAUTO. These postings are automatic payments, so there is no department end user creating them with an option to enter text. See Display 5-12.

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**Display 5-12. Recurring Payment - BW Report**

![Recurring Payment - BW Report](image)
Although no research should be required as these postings are always valid, the reconciler can choose to confirm payment information through ECC transaction FB03—see Display 5-13.

![Display 5-13. Recurring Payment - FB03 Drilldown](image)

When we click the hat icon (header information) at the top of the FB03 screen, we can see that recurring payments will not have the “Parked by” field completed, that “Entered by” will always be SCAUTO and if you look at the “Session name,” it will tell you that this posting is for an A/P Recurring Payment, (Display 5-14).
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Display 5-14. Recurring Payment - Using FB03 to Confirm Payment Type

Additional Resources

- Links to other resources you may find helpful:

  Accounts Payable FAQ and General Procedures
  http://ssc.jhu.edu/accounts payable/FAQ

  Accounts Payable Shared Service Center Staff
  http://ssc.jhu.edu/accounts payable/contact.html

  Training Class: Processing Online Payments