

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.

The screenshot displays the 'Invoice' transaction form in the ECC system. The form is divided into several sections:

- Basic data:** Vendor (2019238), Invoice date (10/29/2007), Posting Date (10/31/2007), Document type (Check Request), Amount (109.25), Tax amount (0.00), and Text (*Invoice #3668, Hugarir Lab meeting (Cust. 212)).
- Payment:** Reference (3668), DocumentNo (1900521865), and Currency (USD).
- Details:** Sp.G/L, Calculate tax, and Paymt terms (Due immediately).
- Workflow:** Baseline date (10/29/2007) and Company Code (JHEN JOHNS HOPKINS ENTERPRISE U.S.A.).
- Vendor:** Address (THE DAILY GRIND AT BRB, 720 RUTLAND AVE, ROSS 375, BALTIMORE MD 21205) and Bank account (Not available).
- Items Table:** A table with columns: St..., G/L acct, Short text, D/C, Amount in doc.c..., Value date, Text, and Order. The first row shows a debit of 109.25 for 'MEALS NO...' on 10/31/2007, with text 'Inv# 3668, Hugarir, Lab Breakfast' and order '80014278'.

Display 5-1. Online Payment Approval in ECC

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

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.

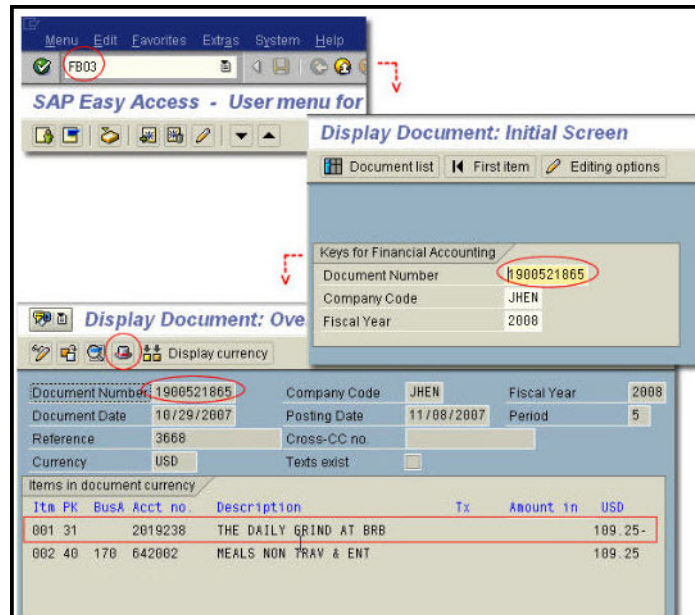
Commitment Item	Commt/Actual Detail	Doc #	Long Desc.	Vendor	Posting date	Parked by User Name	\$
642002 MEALS NON TRAVEL	Invoice	101279177	PEETS COFFEE/TEA #1000 5965	Not assigned	11/13/2007		39.18
		1900521862	INV# 3635, HUGANIR, LAB BREAKFA	THE DAILY GRIND AT BRB	2019213	11/07/2007	109.25
		1900521865	INV# 3668, HUGANIR, LAB BREAKFAST	THE DAILY GRIND AT BRB	2019238	11/08/2007	109.25
		1900536981	INV# 3704, HUGANIR, LAB BREAKFAST	THE DAILY GRIND AT BRB	2019238	11/08/2007	109.25
		1900552020	INV# 3751, HUGANIR, LAB BREAKFAST	THE DAILY GRIND AT BRB	2019238	11/15/2007	109.25
		1900558184	INV# 3791, HUGANIR, LAB BREAKFAST	THE DAILY GRIND AT BRB	2019238	11/20/2007	109.25
Overall Result							585.43

Display 5-2. Online Payment Request - BW Report

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.



Display 5-3. FB03 Drilldown

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.

Document type	ZZ	Check Request
Doc. Header Text		
Card type		Card no.
Request Number		
Reference	3668	Document Date 10/29/2007
		Posting Date 11/08/2007
Currency	USD	Posting Period 05 / 2008
Ref. trans.	BKPF	Accounting document
Reference key	1900521865JHEN2008	Log. System R3PCLNT800
Entered by	LVALENT2	Parked by PCORNEL4
Entry date	11/08/2007	Time of Entry 10:42:19
TCode	FBVB	
Changed on	10/31/2007	Last update

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).

The screenshot shows the SAP 'Display Document Overview' window. The title bar reads 'Display Document Overview'. Below the title bar is a toolbar with icons for 'Display currency' and other functions. The main content area is titled 'Workflows for Current Context' and contains a table with the following data:

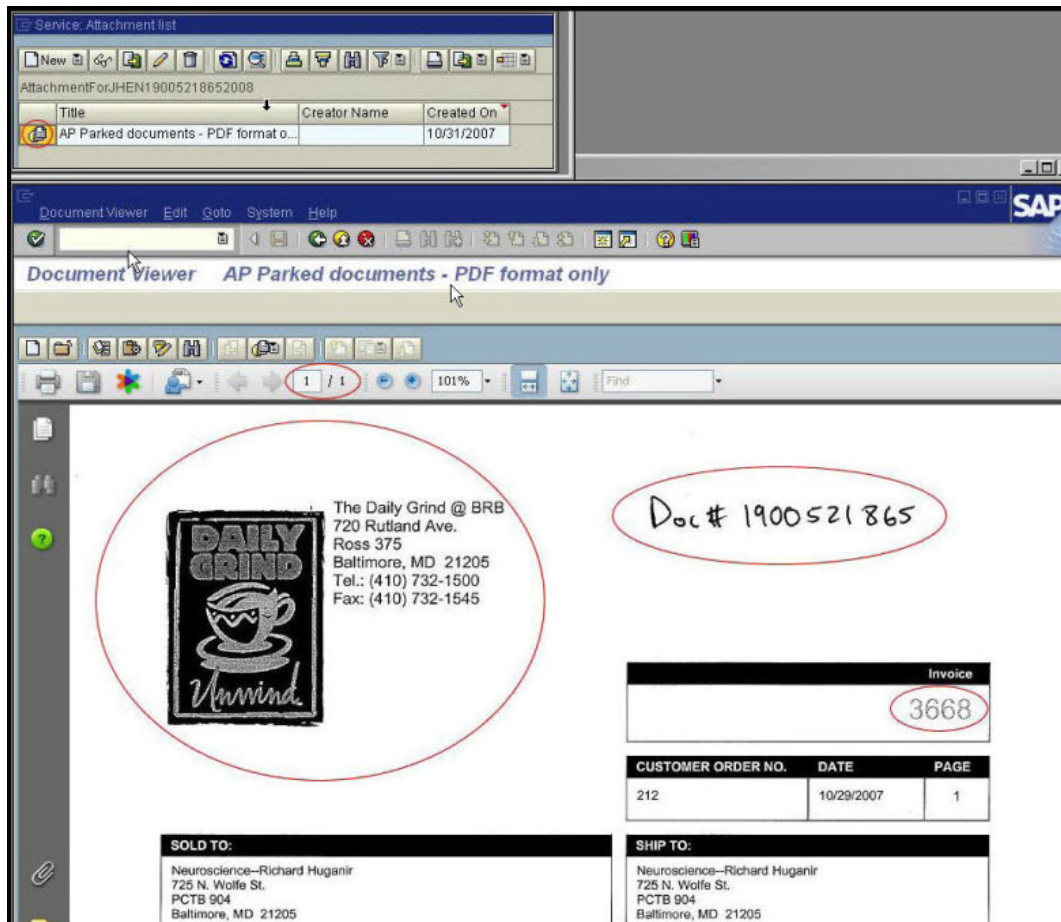
Title	Creation D...	Creation ...	Status	Task
Check Request 1900521865 Route for Approval	10/31/2007	09:05:00	Completed	Check Request Workf

Below this table, there is a section titled 'Current data for started workflow: Check Request 1900521865 Route for Approval'. This section contains a sub-table titled 'Steps in this process so far' with the following data:

Step name	Status	Result	Time stamp	Agent
REVIEW - RELEASE - DEPRT APPR - CHECK REQ - DOC: 1900521865	Completed	RELEASED	11/02/2007 - 14:24:36	Susanne Boeke
REVIEW - RELEASE - CENTRAL AP - CHECK REQ - DOC: 1900521865	Completed	RELEASED	11/08/2007 - 10:21:44	Lamona Valentine
Set release flag	Completed	Set release flag	11/08/2007 - 10:21:45	Workflow System
POST - Check Request - DOC: 1900521865	Logically		11/08/2007 -	

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.

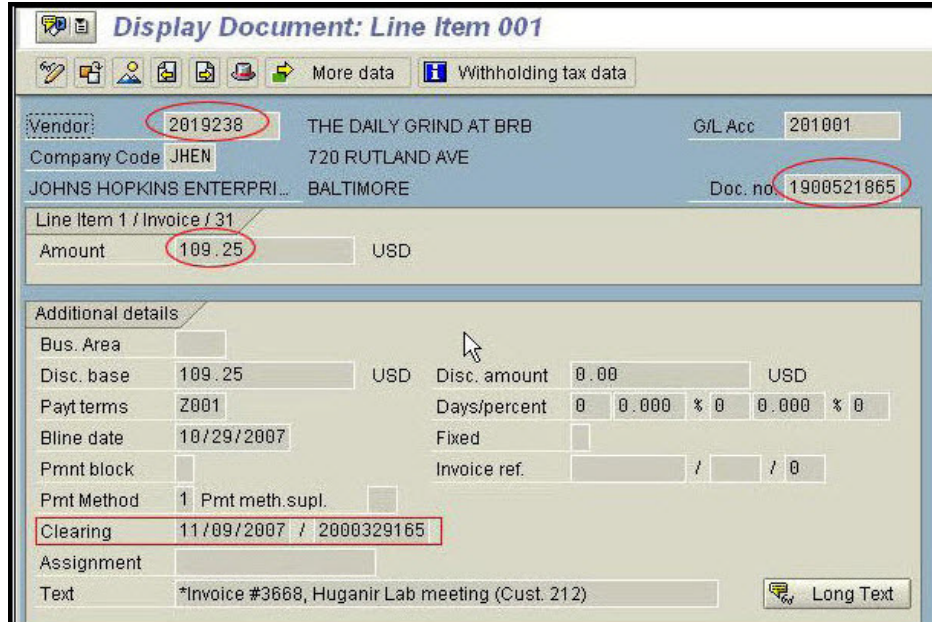


Display 5-6. Viewing Scanned Invoice from FB03

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).



Display 5-7. Confirming Check Clearing Information Using FB03

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.

Display Check Information

Check recipient Check issuer... Accompanying docs Payment document

Paying company code: Payment document no.

Bank details

House bank	UC001	Bank Key	021309379
Account ID	79034	Bank Account Number	601679034
Bank name	JPMORGAN CHASE BANK, NA		
City	13206 SYRACUSE		

Check information

Check Number	10173814	Currency	USD
Payment date	11/09/2007	Amount paid	530.00
Check encashment	11/14/2007	Cash discount amount	0.00
Extract creation	11/09/2007		08:55:53

Check recipient

Name	THE DAILY GRIND AT BRB
City	BALTIMORE
Payee's country	US
Regional code	MD

Display 5-8. Confirming Check Payment Using FB03

Confirming Payment Using BW Vendor Payment Report

The user also has the option of researching payments made to a particular online 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.

Vendor Payment							Fiscal year/period	November 2007
							Internal Order	HUGANIR LABORATOI
G/L Account	Vendor	FI Doc number	Reference doc number	Invoice Number	Invoice Total	Paym Amt		
MEALS NON TRAV & ENT	JHEN/642002	2019238	THE DAILY GRIND AT BRB	1900521862	1900521862	3635	109.25	
		1900521865		1900521865	3668		109.25	
		1900536981		1900536981	3704		109.25	

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.

St	Reference	DocumentNo	Type	Doc. Date	S	DD	Amount in local cur.	Clrng doc.	Postg Date	Text
	3668	1900521865	ZZ	10/29/2007			109.25	2000329165	11/08/2007	*Invoice #3668, Huganir Lab meeting (
		2000329165	ZP	11/09/2007			530.00	2000329165	11/09/2007	
		2000329166	ZP	11/09/2007			100.00	2000329166	11/09/2007	
		2000330905	ZP	11/12/2007			385.50	2000330905	11/12/2007	
		2000332487	ZP	11/13/2007			425.81	2000332487	11/13/2007	
	3688	1900536751	ZZ	11/08/2007			57.50	2000334346	11/08/2007	
	3704	1900536981	ZZ	11/05/2007			109.25	2000334346	11/08/2007	*Invoice #3704, Huganir Lab meeting (
	3552	1900537343	ZZ	10/05/2007			100.00	2000334346	11/08/2007	
	2576	1900538003	ZZ	09/15/2007			200.00	2000334346	11/08/2007	
	3124	1900538129	ZZ	09/30/2007			200.00	2000334346	11/08/2007	
	3251	1900538153	ZZ	09/20/2007			100.00	2000334346	11/08/2007	
	3358	1900538173	ZZ	08/27/2007			100.00	2000334346	11/08/2007	
	3667	1900538202	ZZ	10/29/2007			100.00	2000334346	11/08/2007	
		2000334346	ZP	11/14/2007			966.75	2000334346	11/14/2007	
*							1,709.56			

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.

The screenshot displays a financial detail report titled "Non Sponsored - Financial Detail (Link)". The report includes a header with navigation options: "Toggle Nav Block", "Variable Screen", "Printing", "Bookmark", "No. of Rows", "No. of Columns", "Email", "New Window", and "Exceptions/Conditions".

The main data table shows the following details:

Commitment Item	Comm/Actual Detail	Doc Nbr	Long Desc	Vendor	Posting Date	JUN 2011 Revenues Expenditures	2011 Commitments
647001 TRAINING	Invoice	1903147203	ELIZABETH RODGERS	ONETIME VENDOR	06/15/2011		199.00
Overall Result							199.00

Additional metadata shown in the report includes:

Fund	2012500000
Fund Type	Restricted Gift Fund
Funded Program	80024914
Funds Center	1256400001
Pers.Resp.Name	ELAINE STOTKO
	125
Business Area	SCHOOL OF EDUCATION

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.

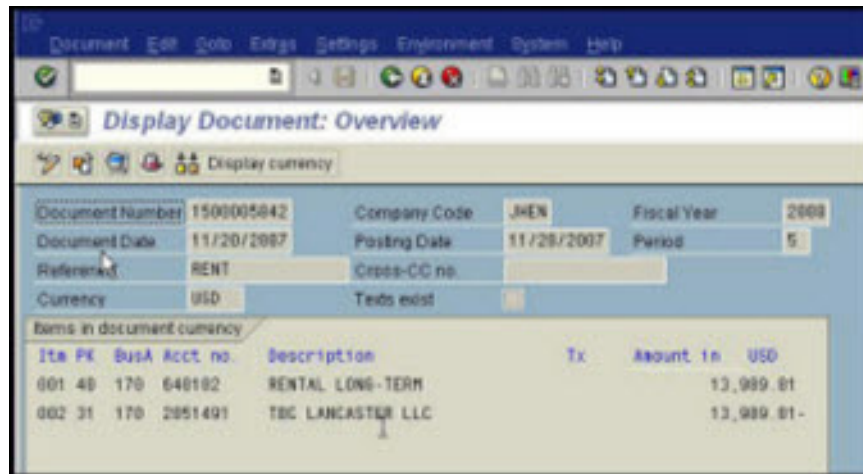
To recognize and research these payments, there are only a few differences you should note. Because these payments are systematically generated once set up, the 10 digit (FI) document number will differ from online payment requests in that it will begin with '15' and not '19'. The example we will use 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.

Non Sponsored - Financial Detail (Link)								
Toggle Nav Block Variable Screen Printing Bookmark No. of Rows No. of Columns EMail New Window Exceptions/Conditions								
							Fund	1017000001
							Fund Type	General Operating Fund.
							Funded Program	80000214
							Funds Center	1700511001
							Pers. Resp. Name	GRINNALDS JACK
								170
							Business Area	SCHOOL OF MEDICINE
								NOV 2007
								Revenues
								Expenditures
Commitment Item	Commt/Actual Detail	Doc Nbr	Long Desc	Vendor	Posting Date	Created By	\$	
640102	LEASED FAC- EXTERNAL	Invoice						
		1500005624	#	PGA ONE CHARLES CENTER	11/10/2007	SCAUTO	29,581.59	
		1500005760	#	BROADWAY SERVICES *USE #2003866**	11/20/2007	SCAUTO	59.00	
		1500005765	#	MDRE TIMONIUM II LLC	11/20/2007	SCAUTO	4,379.28	
		1500005775	#	RTKL ASSOCIATES INC	11/20/2007	SCAUTO	275.00	
		1500005815	#	BROWNS WHARF LLC	11/20/2007	SCAUTO	14,376.38	
		1500005817	#	BOND STREET WHARF LLC	11/20/2007	SCAUTO	118,052.69	
		1500005831	#	FSK LAND CORPORATION	11/20/2007	SCAUTO	105,901.00	
		1500005842	#	TBC LANCASTER LLC	11/20/2007	SCAUTO	13,989.81	
		1500005854	#	CORPORATE OFFICE PROPERTIES LP	11/20/2007	SCAUTO	88,522.21	
		1500005856	*1909 S THAMES ST	UNION WHARF LLC	11/20/2007	SCAUTO	8,855.40	
		1900542848	#	ADT SECURITY SERVICES INC	11/12/2007	KHAWKIN2	841.45	
		8700077470	1784	Not assigned	11/02/2007	LHUX1	-240,161.00	
Overall Result								144,672.81

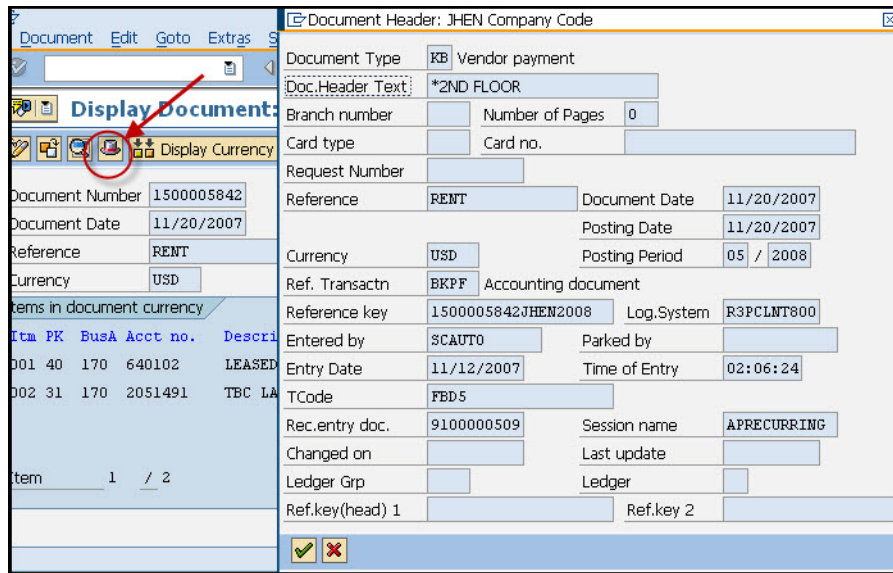
Display 5-12. Recurring Payment - BW Report

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

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).



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/accountspayable/FAQ>

Accounts Payable Shared Service Center Staff

<http://ssc.jhu.edu/accountspayable/contact.html>

Training Class: Processing Online Payments

<http://lms4.learnshare.com/1.aspx?CID=89&A=2&T=391087>