ACCOUNTS PAYABLE BEST PRACTICES

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Session Topics

- Welcome & Introductions (5 min)
- Group Discussions (50 min)
  - What's the most efficient way to enter a voucher?
  - Going Paperless
  - Sales and Use Tax
  - 1099s
  - AP Enhancements
- Wrap up & Closing (5 min)

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WHAT'S THE MOST EFFICIENT WAY TO ENTER A VOUCHER?

What's the most efficient way to enter a voucher?

- Receiving-Required POs

STEP 1

Enter Supplier ID → Address field.

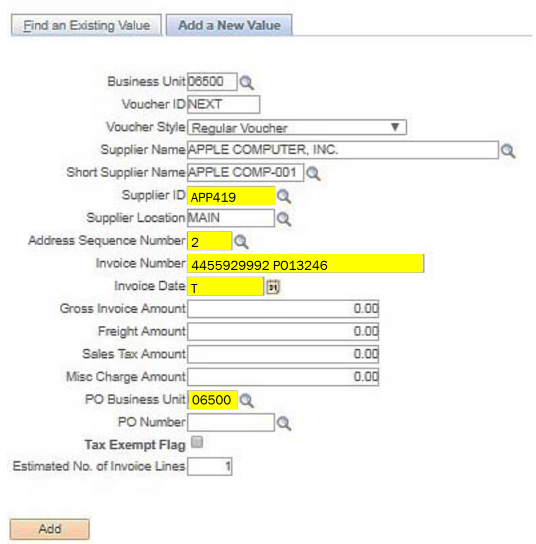
Select remit address → Invoice Number field.

* I use invoice number and PO number → Invoice Date field.

Actual invoice date or "T" for today's date → PO Business Unit

* Enter your Business Unit.

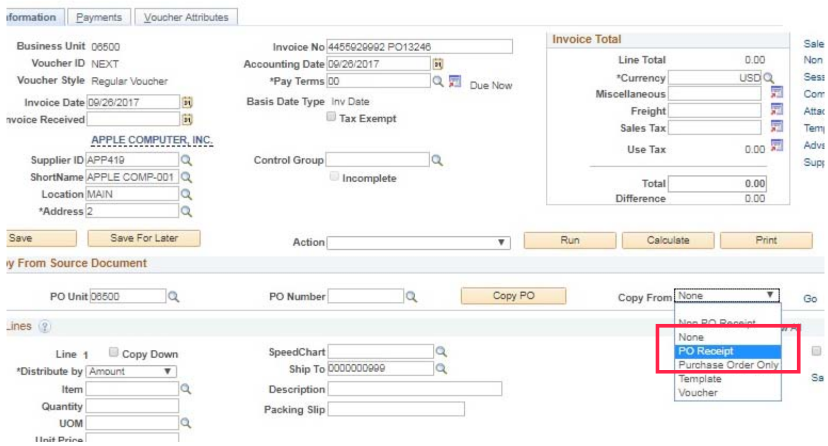
Click "Add".



What's the most efficient way to enter a voucher? *Cont'd*

STEP 2

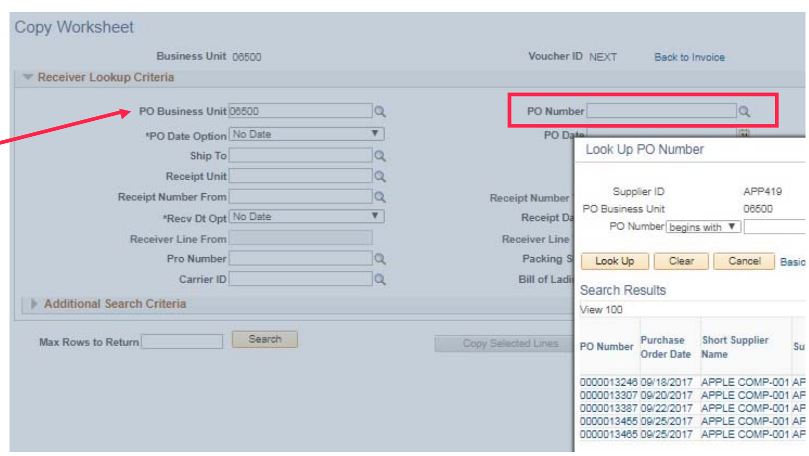
Select PO Receipt from the "Copy From" dropdown menu.



What's the most efficient way to enter a voucher? *Cont'd*

STEP 3

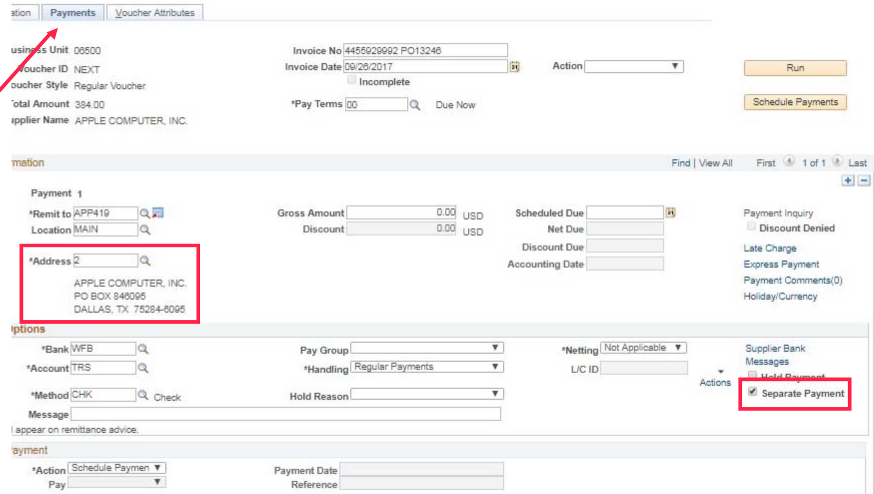
The BU is already populated in the first field (because you entered it on step 1), so just use the magnifying glass to search for your PO number. Hit "search" and select appropriate lines, then click "copy selected lines".



What's the most efficient way to enter a voucher? *Cont'd*

STEP 4

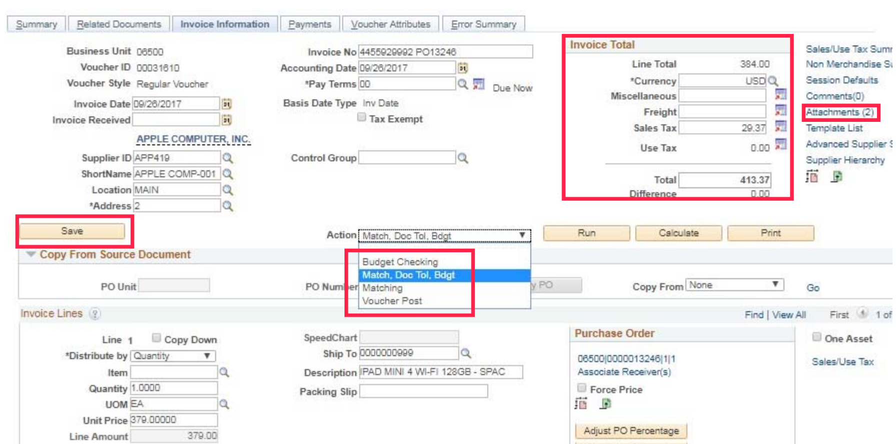
Click on the Payments tab and be sure the remit address is accurate (default setting will override what you selected on first page), and check the box for Separate Payment if necessary.



What's the most efficient way to enter a voucher? *Cont'd*

STEP 5

Input tax and other invoice charges, click Save, Match and Budget Check, then hit Submit for Approval once your voucher is valid.



What's the most efficient way to enter a voucher? *Cont'd*

■ Amount Only and "Open" POs

STEP 1

Supplier ID → remit address → Invoice Number field.

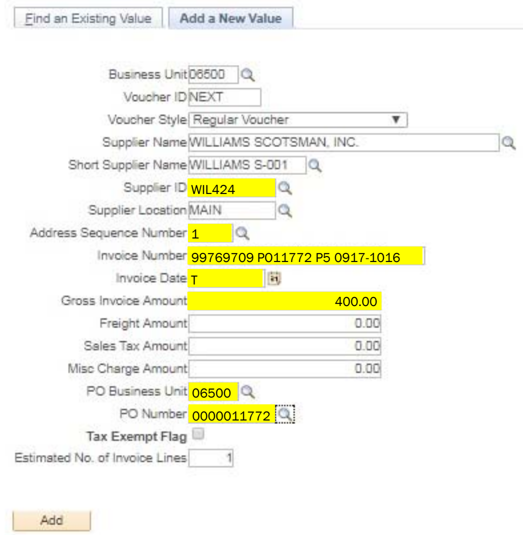
* I use invoice number + PO number + payment # + other identifier → Invoice Date field.

"T" for today's date → Gross Invoice Amount field.

* Enter your payment amount → PO Business Unit

Enter BU → PO Number field.

* Enter (or search for) the PO number. → Click "Add".



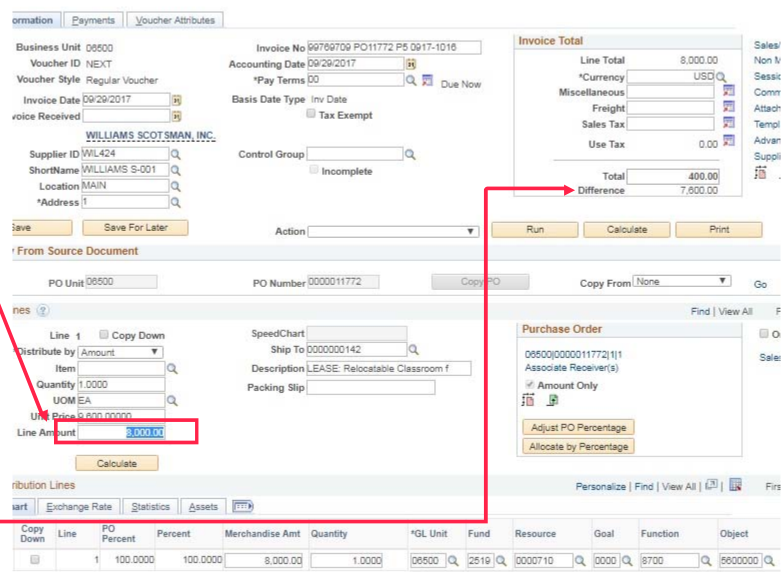
What's the most efficient way to enter a voucher? *Cont'd*

STEP 2

Your PO is already there. For an "open", just adjust your line amount according to your invoice and don't forget to tab or hit the Calculate button.

For Amount Only POs, only adjust this line if invoice differs from PO line amount.

After you do this, your voucher should be balanced.



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STEP 3

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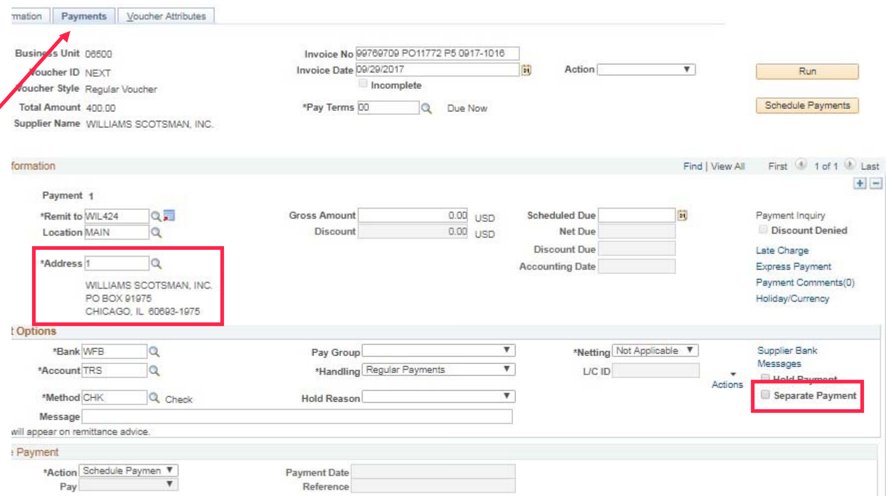

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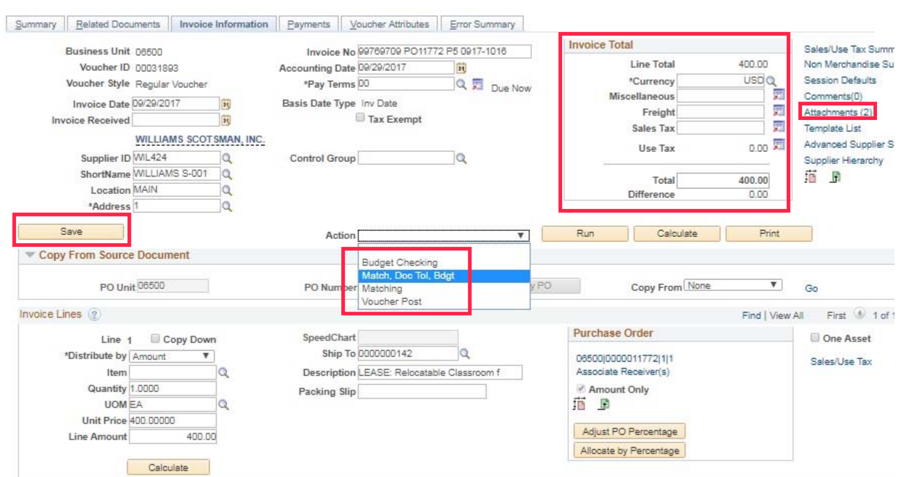
What's the most efficient way to enter a voucher? *Cont'd*

STEP 4

Input tax and other invoice charges (if you have your amount only POs set up that way.

Click Save, Match and Budget Check, then hit Submit for Approval once your voucher is valid.



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GOING PAPERLESS

Going Paperless

1. Warehouse receives items… packing slips are marked up and items initialed as confirmation of receipt.
2. Warehouse receives items in PS and sends packing slips to AP.
3. AP uses the packing slips as backup with invoice and preps payment.
4. To confirm accuracy, we audit during one of two times:
   a) When we are prepping our packets by pulling up the PO in the system and comparing with physical packing slips and invoice.
   b) When creating the voucher (packet has already been created). With this method, the invoice was compared to the packing slips for accuracy during packet prep.

We're currently more "PO-less" than totally "Paperless"…..*but it's a step forward!*

Going Paperless *Cont'd*

We have not yet figured out an efficient (enough) method for solely using the system and not sending the packing slips to AP at all.

One thought is to have all packing slips for the day uploaded to a shared file of "receiving docs" labeled with that date.

AP would have access to those as needed, but would need another "trigger" to know a payment is ready to be made. *Running a daily receiving report?*

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SALES AND USE TAX

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Sales and Use Tax

- When no sales tax has been input, use tax will automatically accrue
- To pay use tax, use query M_AP_Use_Tax_Accrued to determine the amount owed to the State Board of Equalization
- Issues with M_AP_Use Tax Accrued query
  - Timing issues due to the accounting date
    - EXAMPLE: A voucher is entered with an accounting date of 8/31, the voucher is approved and posted on 9/8. If the query was run prior to 9/8 the query will not capture the use tax on the 8/31 voucher until the voucher is posted.
  - Query pulls data from the voucher module
    - EXAMPLE: Canceled warrants

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Sales and Use Tax cont.

Period	Date	Journal ID	Amount	Fund	Resource	Object	Line Descr	JE Header Description	Posted	
1	7/29/2016	AP00313224	-305.92	0100	0460426	9510996	AP Accruals	Accounts Payable	8/2/2016	**Amount That appeared on M_AP_Use_Tax_Accrued Query**
2	8/19/2016	AP00323506	305.92	0100	0460426	9510996	AP Closed Vouchers	AP Manual Closures	8/23/2016	**Canceled Warrant**
2	8/8/2016	AP00316616	305.92	0100	0460426	9510996	AP Accruals	Accounts Payable	8/9/2016	**Amount Paid based of of Query**

In this example we overpaid use tax by $305.92

- Solution:
  - Run FAR_GL_Details
    - Include all periods in order to capture all transactions

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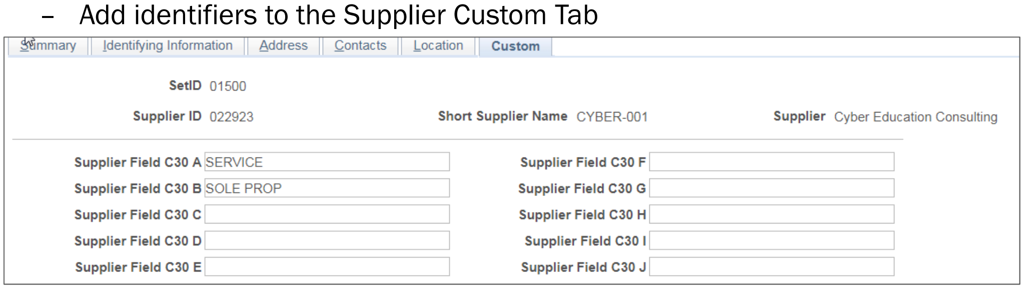
1099S

1099s

- 1099 Check List
  - Does withholding need to be checked?
    - Service provider/Independent contract
    - Sole Proprietorship/LLC/Corp
  - Was vendor paid over $600 in a calendar year?
- Tips/Tricks/Queries to easily identify suppliers needing a 1099
  - Add identifiers to the Supplier Custom Tab



1099s cont.

- Have CRC customize query M_suppl_and_1099_YE to add the custom fields
- Create a spreadsheet using
  - M_suppl_and_1099_YE (custom from CRC)
  - M_ap_subledger_payments_only – determines $600+ in payments
    - Add a VLOOKUP for the two custom fields
    - Pivot Table

1099s cont.

Vendor ID	Supplier	TAX ID	WITHHOLD	VENDOR TYPE	VENDOR COMPANY	Sum of Warrant Amt by Line Item
007968	PARENT INSTITUTE FOR QUALITY	33-0259359	N	SERVICE	C CORP	$5,000.00
011590	WEST ED	94-3233542	N	SERVICE	EXEMPT 115(I)	$522,022.00
013617	ROSEN PUBLISHING GROUP	13-3129750	N	PRODUCT	S CORP	$842.66
016613	NEW MANAGEMENT	80-0666189	N	PRODUCT	S CORP	$2,299.16
017010	DELANEY EDUCATIONAL ENTERP	821533684	N	PRODUCT	C CORPORATION	$17,130.84
018107	SDCUE	33-0044198	N	SERVICE	NON-PROFIT	$6,120.00
018177	ENCHANTED LEARNING	20-3774410	N	PRODUCT	LLC	$1,500.00
018800	DON JOHNSTON INCORPORATEI	36-3464856	N	PRODUCT	CORPORATION	$20,921.00
018811	KIRK PAVING INC	33-0793343	N	SERVICE	CORPORATION	$117,975.55
018836	AMERICAN TECHNOLOGIES INC	33-0352215	N	SERVICE	CORPORATION	$16,615.00
019024	FAGEN FRIEDMAN & FULFROST I	42-1706595	Y	SERVICE	PARTNERSHIP	$133,903.35
019055	LUCENA LANDSCAPE & MAINT IN	33-0845411	N	SERVICE	C CORP	$15,896.00
019531	GEM INDUSTRIAL ELECTRIC INC.	95-2409003	N	SERVICE	C CORP	$1,035,849.57
019851	JIM NI SYSTEMS	33-0901523	N	PRODUCT	C CORP	$13,063.75
019863	ABDO PUBLISHING GROUP	41-1699406	N	PRODUCT	C CORP	$6,597.57
020184	CUE CONFERENCE REGISTRATIOI	94-2737190	N	PRODUCT	CORPORATION	$3,570.00
020250	TURBOSCAPE INC	87-0684340	N	SERVICE	CORPORATION	$38,040.00
020264	TOSHIBA BUSINESS SOLUTIONS	86-0864646	N	SERVICE	CORPORATION	$6,022.97
020265	ALPHA STUDIO DESIGN GROUP	27-1687497	N	SERVICE	CORPORATION	$77,452.63
020275	B&H MUSIC	20-5236979	Y	SERVICE	SOLE PROPRIETOR	$6,694.11
020385	EDUCATIONAL DATA SYSTEMS	94-2824783	N	PRODUCT	CORPORATION	$3,547.66
020395	WEST ED/ K-12 ALLIANCE	94- 3233542	Y	SERVICE	JPA	$7,977.00
020474	TOBII DYNAVOX	52-2280045	Y	PRODUCT	LLC	$6,596.85
020589	SCHOOL SPECIALTY INC	39-0971239	N	PRODUCT	CORPORATION	$2,493.02

AP ENHANCEMENTS

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AP Enhancements

As part of our monthly *(mostly)* AP User Group meetings, we have composed a list of enhancements to benefit AP.

Not all districts are represented at these meetings, so please look over the following enhancement requests before the list is turned over to the county.

Email Breanna if your district is strongly opposed to any item(s) in this list, or if you would like information on the AP User Group meetings.

NOTE: *If you would like to add something*, it will become a topic for discussion during an upcoming user group meeting and would possibly be submitted to the county another time as an enhancement request.

AP Enhancements *Cont'd*

AP ENHANCEMENTS

List of enhancement requests compiled by San Diego County school district AP department personnel.

CATEGORY		
DEFAULTS	1	*Business Unit* **Current Setup:** We must enter our Business Unit every time we use a search feature. **Enhancement Request:** Have each district's Business Unit ID default.
SEARCH	2	*Main Menu -> Accounts Payable -> Review Accounts Payable Info -> Payments -> Payment* **Current Setup:** This module allows us to easily look up payments by many parameters. However, every time a supplier's name is updated (even adding a comma before "Inc.") the module considers it a completely different supplier and you must enter one in order to view the payment information. Currently, a better choice is to use the "Find Existing Value" feature on the Voucher module. I have let multiple departments know that this can be more useful, at times, than the Payment screen. **Enhancement Request:** Add the ability to search by supplier ID, which would allow the module to yield payment information for the supplier (regardless of any name variations).
ATTACHMENTS	3	*Voucher creation* **Current Setup:** AP must download and save any relevant attachments (from the PO) to our computer, and re-attach to the voucher. **Enhancement Request:** Have attachments from the PO automatically transfer to the voucher when the PO is called over. There is a button encountered during Purchasing's process that indicates the ability to "show at voucher", yet we have been told that button does not do anything.
PO STRUCTURE	4	*Supplier ID* **Current Setup:** Once the PO is created, the supplier (ID) cannot be changed. If an incorrect supplier is used, the PO must be cancelled (along with any receipts) and re-sourced (completely rebuilt). **Enhancement Request:** The supplier should be editable once a PO is created. There are many times that the requisition creator accidentally uses the wrong supplier ID (e.g. maybe there are two in the system but they are used for different purposes) and it's not noticed until AP receives the PO. At this point, there is no easy way for Purchasing to edit the PO to reflect the correct supplier ID without cancelling and re-creating the whole thing.

AP Enhancements *Cont'd*

SUPPLIERS	5	*Supplier Classification* **Current Setup:** The 'Classification' field on the Supplier module's Identifying Information tab only reflects the following: outside party, attorney, employee, HCM, and independent contractor. **Enhancement Request:** This field should also contain the federal tax classifications for more distinctive supplier records and easier supplier record pulls (e.g. needing a list of LLC suppliers, medical suppliers, etc.), especially during 1099 season. The federal tax classifications are as follows: Individual/Sole Proprietor or Single-Member LLC, C Corporation, S Corporation (C & S Corporations could be listed just as Corporations), Partnership, Trust/Estate, and LLC (Limited Liability Company). This field should contain the following classification options: Attorney, employee, HCM, Independent Contractor, Individual/Sole Proprietor, Single-Member LLC, Corporation, Partnership, Trust/Estate, LLC, and Outside Party (for those that don't fall into the other classifications).
DEFAULTS	6	*Main Menu -> Accounts Payable -> Review Accounts Payable Info -> Payments -> Payment* **Current Setup:** This module allows us to easily look up payments by many parameters. **Enhancement Request:** Remove the business unit from defaulting into the Bank SetID field. Forgetting to delete this field every time yields no result.
CONVERSATIONS	7	*Conversation/Comments* **Current Setup:** The *Comments* link on a voucher is separate than the *Conversation* link used for vouchers on hold. Anything entered into the Conversation piece is lost once the voucher is approved. **Enhancement Request:** Both links (the Comments on the voucher and the Conversation in the Vouchers on Hold module) should be the same. Anything entered in the Conversation piece during communications between an AP technician and the auditor should be linked/saved to the voucher for future reference. We should be able to click on the Comments link in a voucher to view anything entered into the conversation piece when/if that voucher was on hold.
VCHR STRUCTURE	8	*Voucher Warning Messages (e.g. zero line balance, etc.)* **Current Setup:** A PO with a line that has a zero balance will yield a warning message for each line (with a zero balance) that requires you to click OK multiple times in order to proceed. The message (for the same lines) appears when saving, match/budget checking, and submitting for approval. **Enhancement Request:** Have the warning message(s) only appear upon saving and eliminate having to click through the same messages multiple times throughout the process of submitting a voucher.

AP Enhancements *Cont'd*

VCHR STRUCTURE 9	*Batch "Submit for Approval"* **Current Setup:** Once you match and/or budget check a voucher (and it yields a successful result), you then click the button to submit for approval. If you do not submit for approval at that time and choose the option to not wait for the match/budget checking, then you can proceed with your next payment and not have to wait for the process to finish running. However, you would need to then come back later and submit each voucher (individually) for approval. **Enhancement Request:** Have a screen to batch submit all of your vouchers for approval. I imagine the desired outcome to be a list of your vouchers with checkboxes (to allow targeted batch submission), but also a checkbox at the top labeled "select all" for those that want to batch submit all current vouchers for approval.
VCHR STRUCTURE 10	*Enter PO Information on Initial Entry Page* **Current Setup:** We enter basic supplier and invoice information on the initial voucher entry page, then select the appropriate "PO Receipt" or "Purchase Order Only" option for the payment we're processing on the next page (main voucher screen). Most districts have the ability to enter the amount and PO information on that intial entry page as long as there are no receipts associated with the PO. This method bypasses that process from happening on the next page. However, most districts cannot enter the PO/amount information on the initial page if the PO has any receipts attached to it. **Enhancement Request:** Have the ability to include amount and PO information on the entry page for POs with receipts (as well as those with no receiving required), as this would drastically reduce processing time. Currently, only Oceanside has this capability (to my knowledge).
CONVERSATIONS 11	*Conversation Notifications* **Current Setup:** When we have a payment on hold by the auditor, we have to click the conversation piece for each voucher. We often have many held vouchers for the same vendor and a comment from the auditor only gets added to one of the vouchers. In the interest of time, we sometimes don't check the conversation piece for all vouchers to that same vendor because we think that if there was a comment that it would show on all of them. Because of this confusion and lack of efficiency, sometimes vouchers are on hold a while before we realize there was a comment. **Enhancement Request:** Have the conversation piece linked to the email system so that we receive an email each time a comment is added.

SESSION NOTES

These slides and session notes are published on the CRC Website.
http://crc.sdcoe.net/peoplesoftconference