The Accounts Payable Function in BUY.IU

The BUY.IU Invoice document will be in the same order as a PREQ (i.e. REQ>PO>INV), but that is where the similarity ends. Currently, a vast majority of PREQs are created from the receipt of invoices to Accounts Payable (AP). AP then processes the emailed and mailed invoices, converts those invoices to PDF files, and then manually enters that information into KFS to create a PREQ. AP then sweeps TIFFs of those PDFs into OnBase, and a KFS batch job runs that identifies PREQs with corresponding images. These identified PREQs then routed to their respective departments and administrative groups for approval.

In BUY.IU, these emailed and mailed invoices will be sent to Digital Mailroom (DMR), in another state. DMR runs these invoices through an Optical Character Recognition (OCR) program to pull the relevant data from the invoices. This data is transmitted into BUY.IU where it is used to create respective BUY.IU Invoice document against the listed PO# from the corresponding submitted emailed/mailed invoice. If the OCR program encounters an issue pulling the needed data from the invoice, it is reviewed by a set of human eyes at the DMR location. If they can determine what is on the invoice, they will update the data feed and a respective BUY.IU Invoice doc against the listed Purchase Order (PO) number. If this set of eyes cannot appropriately discern the issue on the invoice, they put it in a queue where IU AP will take over to resolve the issue with the problem invoice.

If the Invoice submitted into BUY.IU meets the following criteria, it will automatically be approved as “OK to Pay”.

- If the PO is over $5k then a receipt will be required before the invoice will move to OK to Pay regardless of the invoice amount
- If the PO is a recurring order, invoices >=$5,000 will go to the fiscal approval stop. The fiscal approver will be expected to ensure a receipt has been created but the system won’t force it.
- Invoice line items are within $250 or 10% of the item costs on the PO. If the invoice charges are over the PO item cost by these “tolerances”, the invoice will route to the department fiscal approver on the account to approve the invoice.
- Invoice does not require FMS Tax review due to a need to enter payment tax withhold requirements (either a payment to foreign supplier that requires federal NRA withholding, or a supplier indicates they are subject to tax withholding on their W-9).
- Invoice is not slated to be processed through a wire or foreign draft. If the supplier is set up to receive payment through wire or foreign draft, it will route to Treasury who will process these specific payment methods.
Receiving in BUY.IU

Types of Receiving

**Quantity receiving** involves creating a receipt for the number of goods or services received
- Used with onetime orders

**Cost receiving** involves creating a receipt for value of goods or services received
- Used with orders containing capital assets and Recurring Orders

Receiving Lead Time Example

**One-Time Order**

**PO less than $5,000:**
- Invoice moves to OK to Pay if within tolerances

**PO greater than or equal to $5,000:**
- Invoice held for receiving for 20 days before requiring fiscal review
Recurring Orders

- Invoices aren’t held for receiving, but will require fiscal review if greater than $5,000
- Receipts are required if invoice is greater than $5,000. The system will not force the receiving on recurring orders. The SOP will state this is a manual requirement that the fiscal approver needs to make sure happens prior to approving the invoice.
- Fiscal reviewers responsible for ensuring compliance with SOP (Standard Operating Procedure)

Check Requests

- Standard Order Receiving rules apply to Purchase for Resale Check Requests greater than $5,000
- All other Check Requests move straight to OK to Pay
Creating Receipts in BUY.IU

**Quantity Receipts**

1. From the PO, click on the Document Actions drop-down in the upper right-hand corner of the screen and select Create Quantity Receipt (or Cost Receipt if applicable.)

2. Enter quantity received (or returned).
3. Click ‘Complete’.

4. Open the document.

5. Here you can view the Summary, any Comments and/or History.
After searching for the Purchase Order, notice that the ‘Receiving’ field is now ‘Fully Received, verifying that you have completed the step.
Cost Receipts

1. From the PO, click on the Document Actions drop-down in the upper right-hand corner of the screen and select Cost Receipt.

If the user tries to create a Quantity Receipt on a Recurring Order, they will receive the following error and can select Create Cost Receipt at that point.
2. The Cost Receipt is created the same way except the user is prompted to enter the cost versus the quantity.

Please let us know if you have questions. You can write: askbuyiu@iu.edu.