

Meeting Information

Meeting Name: Matching 1 – Invoice Matching
Scribe: DeVal Lott
Facilitator: Kyle Morton
Date: February 21, 2005
Time: 9:00am – 12:00pm
Location: Suite 1514C West Tower

Invitees/Attendees

+ In attendance, - Absent, # Substitute, *Other

	Name	Organization/Department	Substituting For
-	David Childers	DOE	
+	Laurel Shugart	DTAE	
+	Denise Thompson	DTAE	
-	Denise Vlasak	DTAE	
-	John Sartain	DHR	
+	Amy Morgan	DHR	
-	Gary McElroy	Pardon & Parole	
+	Dorothy Tarrer	DMVS	
+	Van Green	DOT	
-	Kathy Morey	DCH	
+	Chris Thomas	Forestry	
+	Sherry Carr	DJJ	
+	Anita Hunnicutt	DOAS	
+	Debra Blount	DOAS	
-	Travis Kennedy	Corrections	
+	Jamie Ruff	Corrections	

	Name	Organization/Department	Substituting For
+	Charles Petty	DOAS	
+	Renee Martin	DOAS	
+	Rhonda Henslee	Natural Resources	
+	Norma Routh	Natural Resources	
+	Pearl Bailey	DHR	
+	Malvin Vaughn	GTA	
+	Cynthia Franklin	DOE	David Childers
*	Jayne Neal	DOAS	
*	Randy Trowell	DOE	
*	Elaine Williams	Pardon & Parole	Gary McElroy
	Project Staff		Role
+	Kyle Morton	Accenture	AP/PO Lead
+	Rick Housworth	SAO	PO Lead
+	Henrietta Adams	SAO	AP Lead

Agenda

Item No.	Topic	Presenter
1.	Introduction	Kyle Morton
	Introduce attendees and review Fit Gap process	
2.	Meeting Handouts	Kyle Morton
3.	Topics for Discussion	Kyle Morton
3A	Current Matching Process	Kyle Morton

Item No.	Topic	Presenter
3B	Problems with Matching in 7.02	Kyle Morton
3C	Benefits of Matching in version 8.8	Kyle Morton
3D	Matching Rules	Kyle Morton
3E	Price Tolerances	Kyle Morton
3F	Receiving Required	Kyle Morton
3G	SAO Recommendations	Kyle Morton
3H	Barriers to successful matching	Kyle Morton
4	Conclusion	Kyle Morton

Meeting Summary

Agenda Item No.	Main Points, Conclusions/Discussions, Decisions, Next Steps, Issues, New Action Items
	This fit gap session was held to discuss three way matching process in version 8.8
3A	<p>Current Matching Process</p> <p>Three way matching was originally implemented but was discontinued due to various problems caused by system bugs and user error.</p> <p>The current process includes:</p> <ul style="list-style-type: none"> Some type of receiving form is completed and attached to the invoice. (Some agencies remarked that they had stopped the PeopleSoft receiving process when the Prompt Payment of Invoices report was discontinued) <p><u>Update: See the attached policy from OPB. In order to use and report on prompt pay from PeopleSoft, an agency would have to enter a receipt in PeopleSoft.</u></p> <ul style="list-style-type: none"> Invoices for services are signed and routed to Accounts Payable Documents are mailed to central accounting Documents are retained in file cabinets or imaged This process is very labor intensive

Agenda Item No.	Main Points, Conclusions/Discussions, Decisions, Next Steps, Issues, New Action Items
3B	<p>Problems with Matching in 7.02</p> <p>Technical -</p> <ul style="list-style-type: none"> • An invalid purchase order number could be entered on a voucher • There is no method to receive services • Once a purchase order line is matched, user could not voucher against it again • Creating a voucher from a receipt caused distribution problems (Corrected in version 8.8) <p>Business Process –</p> <ul style="list-style-type: none"> • Purchase orders were entered incorrectly • Purchase orders were received incorrectly or not at all • Vouchers were created by copying in the purchase order, could not find the receipt. <p>A discussion ensued concerning the ability to run the matching process on-line (some users currently have access to run budget checking on-line) (See Action Item #1)</p> <p>Decision: The SAO will communicate to the agencies the method and requirements for implementing three way matching. Agencies will need to respond with reasons why they are not able to implement three way matching, if they choose not to use the functionality.</p> <p>Group Consensus: Both Matching and Budget Checking should be performed on-line for certain users.</p>

Agenda Item No.	Main Points, Conclusions/Discussions, Decisions, Next Steps, Issues, New Action Items
3C	<p>Benefits of Matching in version 8.8</p> <ul style="list-style-type: none"> • Ensures that the price entered on the voucher line is not greater than the price on the purchase order plus a standard tolerance. <p>Most agencies perform matching on a one to one basis where prices must match.</p> <p>The matching process does not check for freight charges when added to the voucher but does check matching when freight is added to a purchase order line. (See Action Item #2)</p> <ul style="list-style-type: none"> • Compares vouchers with purchase orders and receiving documents to ensure that you are properly paying for what you have ordered and received. • Purchase Orders that require receiving will not pass matching if they have not been received. • Goods are typically received by Quantity, and matched based on the quantity received and quantity to be vouchered. • Services are typically received by Amount, and matched based on the amount received and amount to be vouchered. • Vouchers can be created from receipts instead of purchase orders: Receipts should be very similar to the invoice; amounts will allocate across multiple distributions the same as the purchase order, does not use First in First out method. • Reduce paper and manual effort of matching.

Agenda Item No.	Main Points, Conclusions/Discussions, Decisions, Next Steps, Issues, New Action Items
3D	<p>Matching Rules</p> <p>Version 7.02</p> <p>There are system rules that determine how the system evaluates what passes or fails the matching process. Since matching is generally not being used, these rules are not currently an issue.</p> <p>Version 8.8</p> <p>There are 21 delivered rules related to matching. Use all of these except for the following three: Rule H100 would cause match exceptions when the payment terms differ, Rule H200 & H400 would cause match exceptions when the Vendor location differed.</p> <p>Group Consensus: Use the delivered rules with the following rules not turned on:</p> <ul style="list-style-type: none"> • H100 - <u>Voucher Pay Terms <> PO Pay Terms</u> • H200 - <u>Voucher Vendor/Loc <> PO Vendor/Loc</u> • H400 - <u>Voucher Vendor/Loc <> Receiver Vendor/Loc</u> • I100 - <u>Inspection Required but not Complete</u>

Agenda Item No.	Main Points, Conclusions/Discussions, Decisions, Next Steps, Issues, New Action Items
3E	<p>Price Tolerances</p> <p>Matching considers a price difference as well as a percentage difference and fails based on the least restrictive. The standard price and extended price over and under tolerance will be \$100 and the price percentage and extended price percentage tolerance will be 10% on each category. A price tolerance can also be established at the item level. Contracted items will have a zero price tolerance to ensure the vendor is complying with their contracted price. Amount only receipt lines for services do not use tolerances, the voucher and receipt amount must be exactly the same or an exception will be generated.</p> <p>When an item category or item is used on a purchase order, this information will default on the purchase order line schedule, and may be changed to zero tolerances for certain purchase order lines.</p> <p>Global Tolerance is a new feature and allows small dollar differences to pass matching even if the primary tolerances are exceeded. The global tolerance does not apply to the receiving rules, all lines must be received.</p> <p>Price Tolerance options (version 8.8):</p> <p>Option 1 – use the same tolerances as in version 7.02</p> <p>Option 2 – Decrease tolerances to \$100 or 10% and add a global tolerance of \$100.</p> <p>Group Consensus: Use a 10%/\$100 over standard price tolerance with a \$100 global tolerance. If agencies want to change the tolerances, it must be changed on the purchase order schedule. Contracted items will have no over price tolerance.</p>

Agenda Item No.	Main Points, Conclusions/Discussions, Decisions, Next Steps, Issues, New Action Items
3F	<p>Receiving Required</p> <p>A receipt must exist in order to have a Three Way Match between the voucher and the purchase order and receipt. The receipt line accepted quantity and amount must be the same as the voucher line quantity and amount in order for the voucher to pass matching.</p> <p>Goods receipt – Only the quantity that was received should be entered on a receipt. If a partial shipment is received, only the portion that was received should be entered on a receipt.</p> <p>Service receipt – Only the amount authorized for payment should be entered on a single receipt. If one voucher will be entered for the full amount, the full amount should be received on one receipt. If there will be multiple vouchers for the service, multiple receipts should be entered.</p> <p>A warning message was shown when a receipt was entered for one quantity, but the voucher was changed to a different quantity than what was accepted on the receipt. The message did not provide the line number where this occurred. (See Action Item # 3) When a voucher is created from a purchase order instead of a receipt, it will not warn the user that no receipt has been entered. Receipts for a purchase order can be searched for in the PO Receipt Worksheet.</p>

Agenda Item No.	Main Points, Conclusions/Discussions, Decisions, Next Steps, Issues, New Action Items
3G	<p>SAO Recommendations</p> <ul style="list-style-type: none"> • Three Way matching on all goods and services (Receipt will be required for every purchase order line) <p>A discussion was held relative to Maintenance Contracts. Is it possible to have one receipt with twelve separate lines (one for each month of the maintenance contract)? (See Action Item # 4)</p> <ul style="list-style-type: none"> • Tolerances should be set to \$100 or 10% (Least restrictive) per Purchase order line, except for Contracted items. • Global tolerance of \$100 per line to reduce small dollar exceptions • Payment term differences between the Purchase Order and the voucher will not cause a problem • Location differences between the Purchase Order and the voucher will not cause an exception • Handling non-system related match exceptions should be addressed by the agency on a timely basis (have at least one person per agency to address non system related match exceptions, ex. Purchase order amount doesn't match Accounts Payable voucher amount.) • Each individual agency should decide and explain if they do not have the ability to properly use matching
3H	<p>Barriers to successful matching</p> <ul style="list-style-type: none"> • Receipts not entered or entered incorrectly • Vouchers entered incorrectly • Exceptions not addressed on a daily basis (change orders, vouchers changes and receipt changes) • Receiving personnel not having access to a computer with internet connection • Correct personnel trained
4	<p>Conclusions</p> <p>Agencies must decide if they are going to use the matching functionality.</p> <p>May use pilot agencies to test matching procedures (Steering Committee approval may be needed)</p>

Action Item Review

Action Item (AI) No.	Date Open	Description	Action/Response
A11.	2/21/05	Users want the ability to perform the match process on-line	Research needs to be done on Security classes to see if certain classes currently have the functionality, system performance will also be tested, during the Testing phase, to ensure the process does not slow down the system.
A12.	2/21/05	Lost Discounts and Shipping/Freight on Purchase Orders and vouchers	To be discussed in both Accounts Payable and Purchasing fit gap sessions. Shipping/Freight may be added on a purchase order and/or a voucher in the Misc. Charges field where it will charge the correct account , the system will be configured so that the freight amount will charge the freight account and not be included in the expense account. If the Shipping/Freight is added as a separate line on the purchase order, then it will be matched on the voucher.
A13.	2/21/05	Receipt warning on voucher	When a warning message for a voucher receipt line is displayed for an incorrect voucher line, it should provide the line number. This will require a modification to the system and has been logged as a issue in the SAO issue tracking tool for review by the project management.
A14.	2/21/05	Receipts for Maintenance contracts	Users want the ability to use one receipt with multiple receiving lines (agencies currently are processing 12 receipts (one for each month on an annual contract) for one purchase order line. SAO project team will determine if there are any reasons why this can not be done and the business process done before training will provide the recommended decision.

Action Item (AI) No.	Date Open	Description	Action/Response
	2/22/05	Under tolerances need to be determined	Will discuss under tolerances in the follow up meeting for matching on 3/9/05

Parking Lot items

Parking Lot Item No.	Parking Lot Items
PL1	There are no parking lot items for this session.