

Logistics Part 2

Goods Receipts & Invoice Receipts

Course 7 in Standard Curriculum

Learning Objectives

- Understand the business process for Goods Receipts and reversals
- Process Goods Receipts
- Reverse Goods Receipts
- Understand the business process for PO Invoice Receipts
- Cancel Invoices and process PO credit memos
- Release PO reserves



[Link to Course Material](#)

Housekeeping – All FIS Courses and Workshops

Expectations for FIS Courses:

- Must be able to complete all assigned exercises in the SAP-QT1[HANA] training application.
 - If you are having technical issues, and cannot complete the exercises in class, you have 1 week to complete them. If extensions are necessary, please contact me.
 - The instructor will review all exercises.
- Must attend most of the class. If you miss 20 minutes or more of class you will not be eligible for course credit.



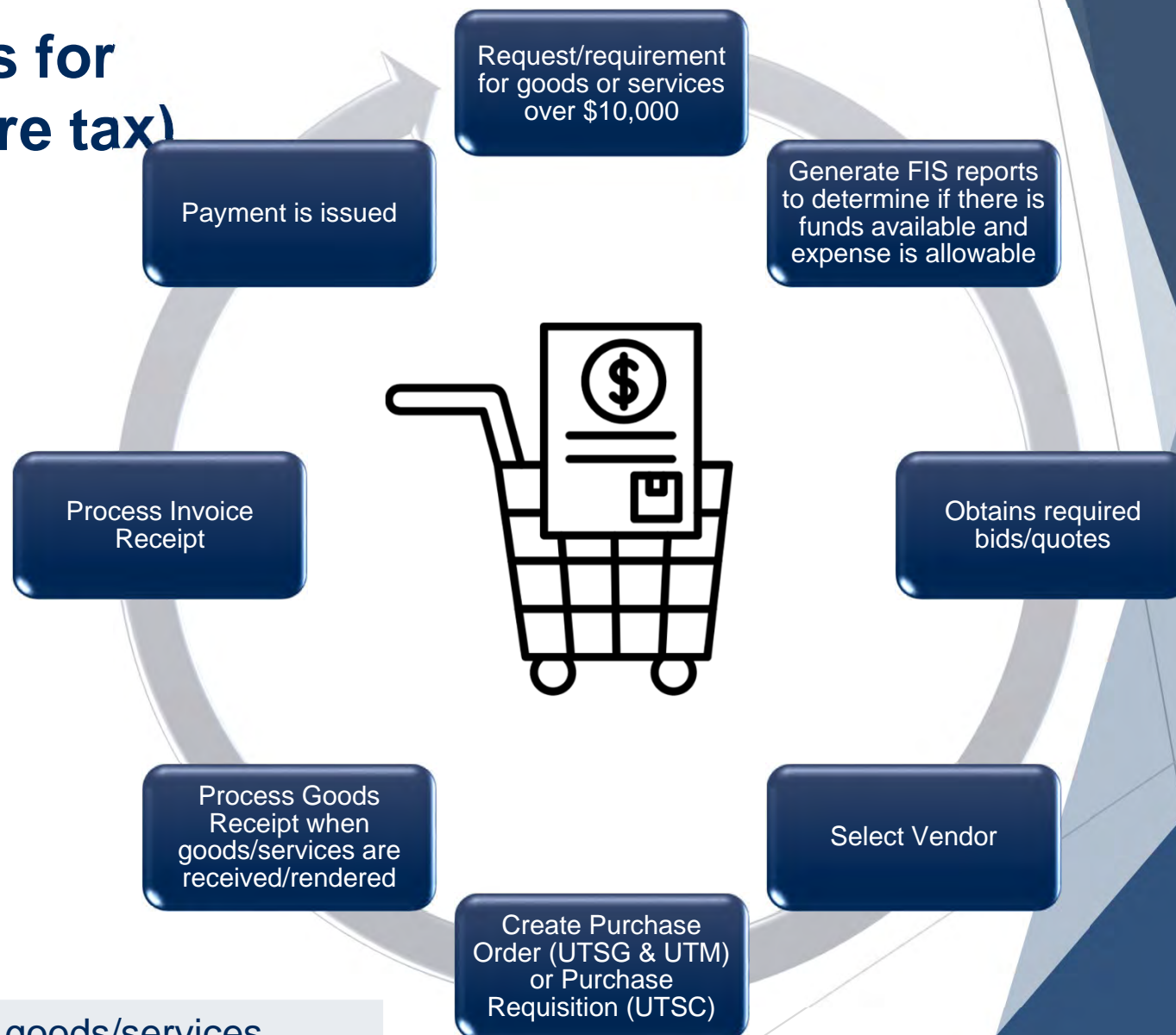
All FIS courses are recorded and will receive a copy of the recording for their record.

Review: Business Process for Orders over \$10,000 (before tax)

As a result of the decentralized procurement structure at the University, the **business process** for high dollar value purchases different between campuses.

St. George and UTM follow the **PO WORKFLOW** business process, and require compliance review for orders over \$50,000.

UTSC creates Purchase Requests



[Learn more about how to purchase goods/services.](#)

What is a Goods Receipt?



A formal acknowledgement in AMS that the department has received goods or services were rendered that were procured using a Purchase Order.

Prerequisites:

- The receipt must be PO related
- The goods/services delivered must match what was agreed upon in the contract
- The goods must be in the desired/usable condition and services in acceptable quality.



Visit the [Procurement Services](#) website to learn more.

What is the Financial Impact of a Goods Receipt?

Processing a Goods Receipt in AMS indicates that the University has accepted the goods/services and can proceed with payment once the invoice is received.

Implications:

- Records a liability against in Financial Accounting (i.e. G/L Account)
- In most circumstances, once an GR is processed the **ACTUAL EXPENSE** is recorded against the Funds Center or FC/Fund (i.e. reserve released and expense recorded in reports) and Cost Center/Internal Order
- It is **required for the payment** to be processed.



Visit the [Procurement Services](#) website to learn more.

When does a Goods Receipt NOT Result in an Actual Expense?

In some circumstances, a Goods Receipt does NOT trigger an actual financial expense, such as:

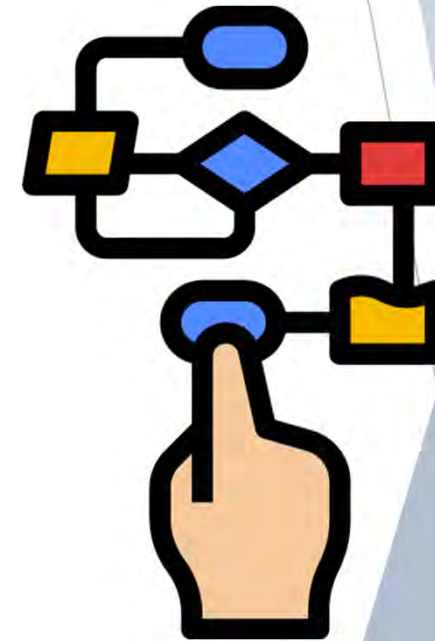
- When multiple account assignments are used
- When additional/unplanned expenses are paid at the time of invoice and not included in the PO
- In some uSOURCE POs under a certain threshold



[Read this article to learn more.](#)

What is Business Process for Goods Receipts?

1. Recipient **confirms that the goods received/services** rendered are related to a Purchase Order (PO).
2. **Verify the packing slip** information provided by vendor. If no packing slip is included, create your own receiving/material report using this framework.
3. Verify that the goods/services are rendered in acceptable condition.
4. Process the Goods Receipt in AMS.
5. Record the **two Goods Receipt document numbers in on the packing slip/receiving report**. Watch this simulation to learn how to locate them.
6. File the packing slip/receiving report in accordance with the **UofT File Plan**.



[Visit the GTFM Policy page to learn more.](#)

Processing Goods Receipts



Goods Receipts and the Purchase Order

One of the benefits of processing a PO in AMS is that **tracks every stages of the purchasing process** from the contract to payment.

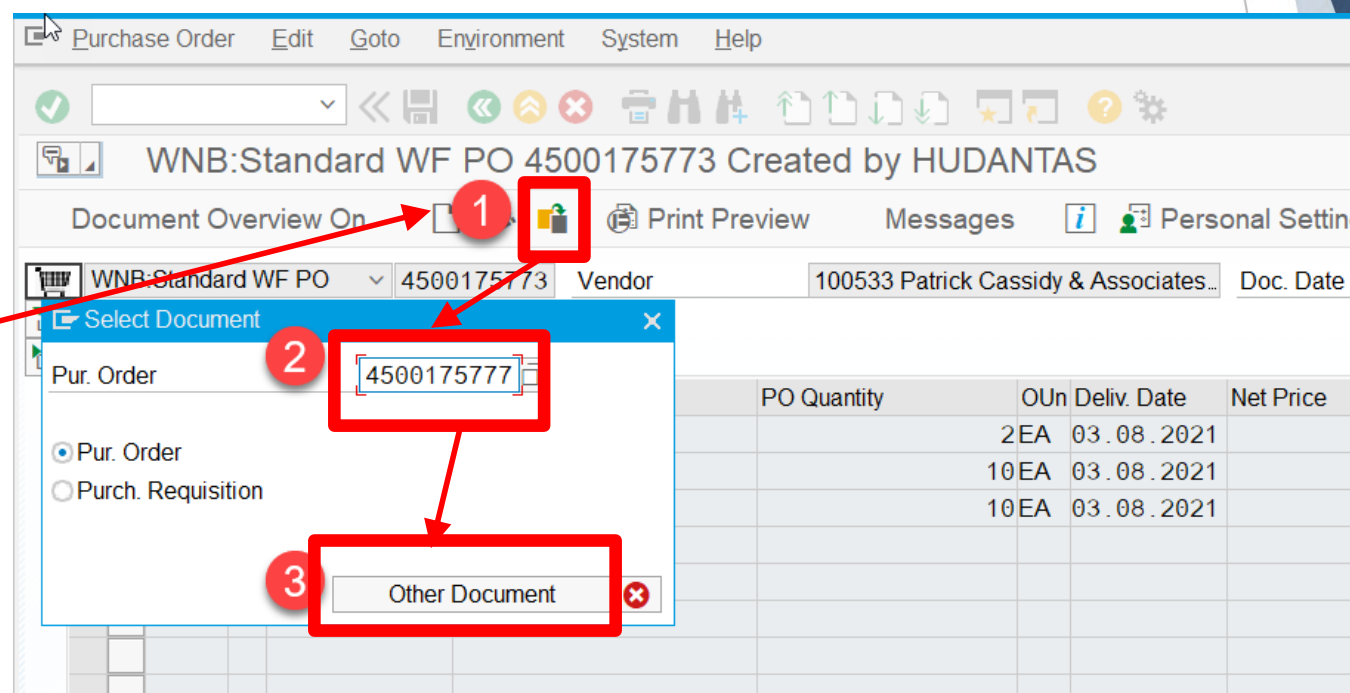
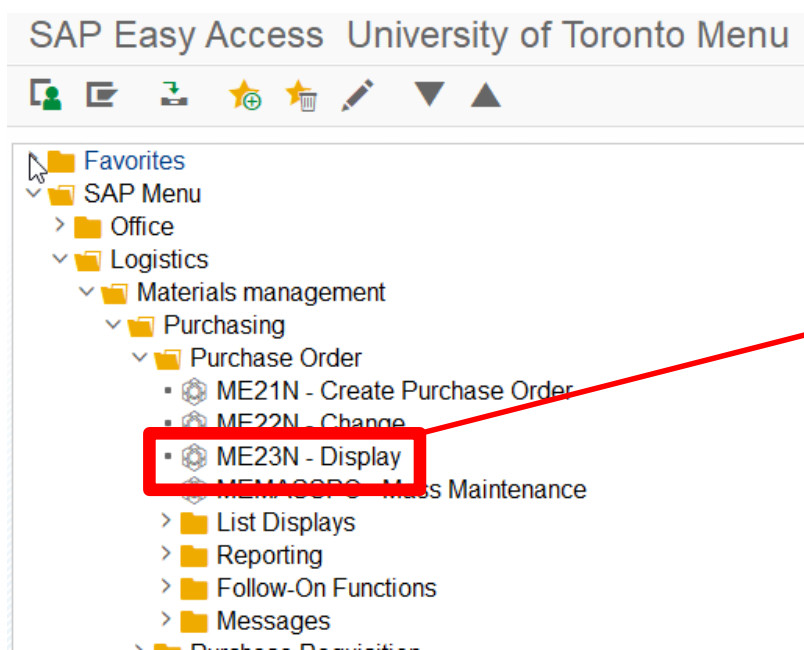
With goods receipts, the **PO will show a history** of all partial deliveries for each item ordered.



[Read this article to learn how to locate what is outstanding in a PO.](#)

Where can I locate the History for a PO Line?

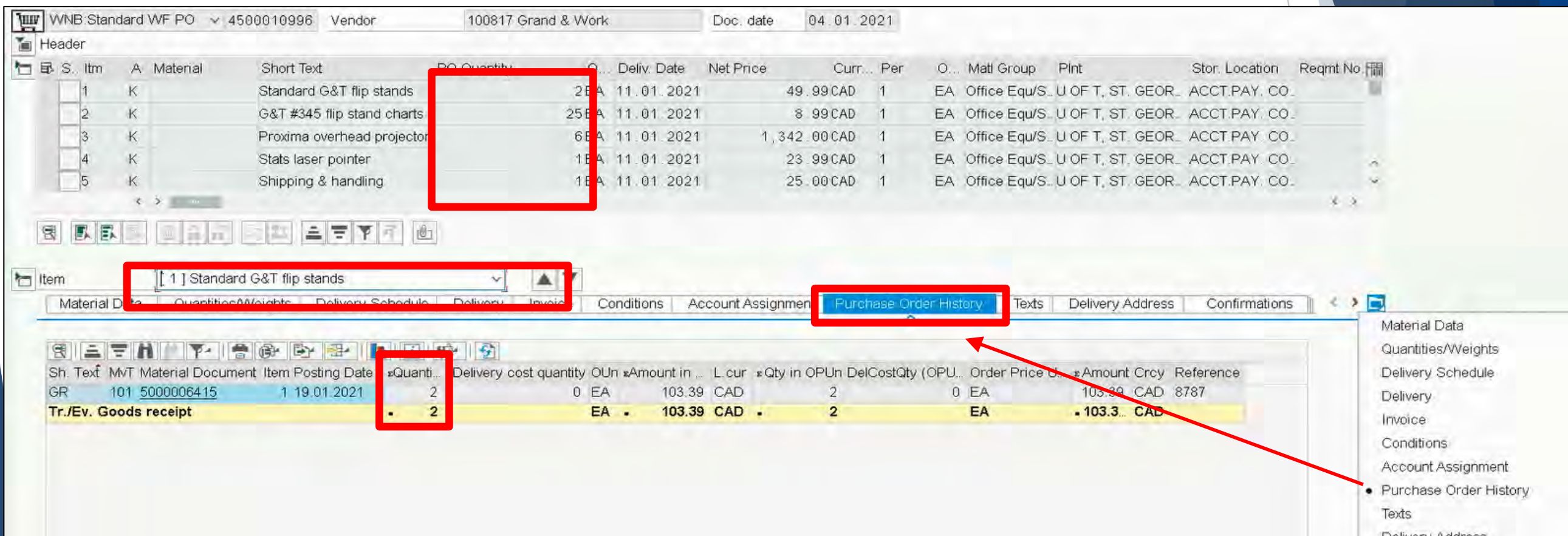
Go to the the ME23N – Purchase Order Display screen, then display the desired PO.



[Watch this simulation to learn more about the PO History Tab.](#)

Understanding the PO History Tab

The PO History tab is a vital section to help you understand the status of the PO line item. It outlines partial deliveries, and payments for each line so you can determine what is outstanding and requires payment. It also helps determine what is still reserved



The screenshot shows the SAP Purchase Order History interface. The top header displays the PO number (4500010996), Vendor (100817 Grand & Work), and Document Date (04.01.2021). Below the header is a table of PO line items. A red box highlights the 'PO Quantity' column for the first five items.

S. Itm	A	Material	Short Text	PO Quantity	Deliv. Date	Net Price	Curr...	Per	O...	Matl Group	Plnt	Stor. Location	Reqmt No.
1	K		Standard G&T flip stands		11.01.2021	49.99 CAD		1	EA	Office Equ/S...	U OF T, ST. GEOR...	ACCT.PAY. CO...	
2	K		G&T #345 flip stand charts		11.01.2021	8.99 CAD		1	EA	Office Equ/S...	U OF T, ST. GEOR...	ACCT.PAY. CO...	
3	K		Proxima overhead projector		11.01.2021	1,342.00 CAD		1	EA	Office Equ/S...	U OF T, ST. GEOR...	ACCT.PAY. CO...	
4	K		Stats laser pointer		11.01.2021	23.99 CAD		1	EA	Office Equ/S...	U OF T, ST. GEOR...	ACCT.PAY. CO...	
5	K		Shipping & handling		11.01.2021	25.00 CAD		1	EA	Office Equ/S...	U OF T, ST. GEOR...	ACCT.PAY. CO...	

Below the table, the 'Item' section shows the selected item: '1 Standard G&T flip stands'. The 'Purchase Order History' tab is selected, showing a detailed view of the item's history. A red box highlights the 'Quantity' column in the history table.

Sh. Text	MVT	Material	Document	Item	Posting Date	Quantity	Delivery cost quantity	OU	Amount in	L. cur	Qty in OPU	DelCostQty (OPU)	Order Price U	Amount Crcy	Reference	
GR	101	5000006415			19.01.2021	2	0	EA	103.39	CAD	2	0	EA	103.39	CAD	8787
Tr./Ev.						2		EA	103.39	CAD	2		EA	103.39	CAD	

A red arrow points from the 'Purchase Order History' tab in the top navigation bar to the 'Purchase Order History' entry in the right-hand menu.



Watch this simulation to learn more about the **PO History Tab**.

Refer to the **MIGO – Create Goods Receipt reference guide** for more information.

Exercise 1 – Process a Partial Goods Receipt

Instructions (approx. 5 - 10 minutes)

Process a partial Goods Receipt in QT1 for the Global Medical Products PO.



[Reference Guide](#)

Exercise 2 – Process a Partial Goods Receipt

Instructions (approx. 5 - 10 minutes)

Process a partial Goods Receipt for Grand & Toy PO.

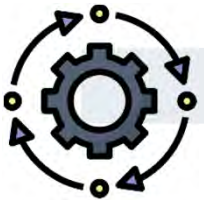


[Reference Guide](#)

Exercise 3 – Process a Partial Goods Receipt

Instructions (approx. 5 - 10 minutes)

Process a partial Goods Receipt for the remaining items on the Grand & Toy PO.



[Reference Guide](#)



Exercise 4 – Reverse a Goods Receipt

Instructions (approx. 5 - 10 minutes)

Reverse the partial Goods Receipt from exercise 1 related to the Global Medical Products PO.



[Reference Guide](#)



Exercise 5 – Process a Partial Goods Receipt

Instructions (approx. 5 - 10 minutes)

Process a partial Goods Receipt for the replacement delivery of the chemicals ordered and returned in the Global Medical Products PO.



[Reference Guide](#)



1 HOUR LUNCH BREAK

Invoices Receipts and the Purchase Order



An invoice is a formal request for payment by the vendor for goods and/or services received.

Departments can proceed to issue a payment to the vendor when the **following conditions are met**:

- The **Goods Receipt has been processed** (i.e. goods/services rendered, and department is satisfied with what was received)
- the **invoice is accurate** with respect to items, quantities received and prices
- written or electronic **approval** has been obtained

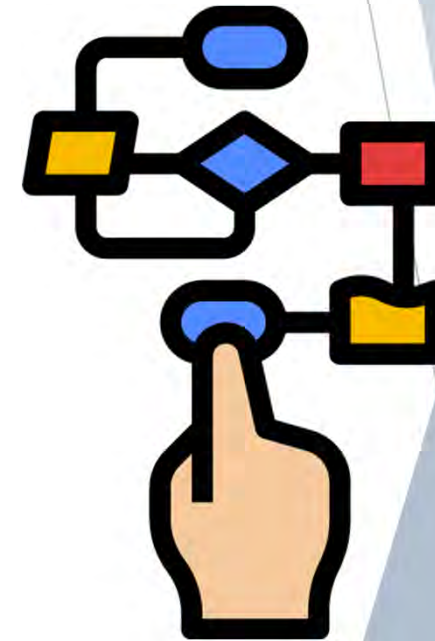


[Learn more about the GTFM Policy regarding PO invoices.](#)

What is Business Process for Invoice Receipts?

The department:

1. Receives the invoice from the vendor.
2. Determines whether it is related to a PO and locates the PO number.
3. Verifies that the Goods Receipt has been processed.
4. Processes the Invoice Receipt in AMS.
5. Record the **two Invoice Receipt document numbers in on the invoice**. Watch this simulation to learn how to locate them.
6. Files the invoice in accordance with the **UofT File Plan**.



[Visit the GTFM Policy page to learn more.](#)

Processing Invoice Receipts



Processing a PO Invoice Receipt

Processing a PO Invoice Receipt has some similarities with Accounts Payable invoices, but with the following differences:

- **References the PO** to determine what items and quantities are eligible for payment
- **User selects/deselects** lines to tell the system what is being paid

Enter Incoming Invoice: Company Code UOFT

Show PO structure Show worklist Hold Simulate Messages Help

Transaction **Invoice** Balance 0.00 CAD

Basic Data Payment Details Tax Contacts Note

Invoice date 11.02.2022 Reference 225721
 Posting Date 15.02.2022
 Amount 12,791.60 CAD ☒ Calculate Tax
 Tax Amount 1,471.60
 Text 225721, Global Medical, Isotopes
 Paymt terms 35 Days net
 Baseline Date 11.02.2022

Vendor 0000111898
 GLOBAL MEDICAL PRODUCTS INC
 5230 SOUTH SERVICE ROAD

PO Reference G/L Account

Purchase Order/Scheduling Agreement 4500176122

Layout **All information**

Item	Amount	Quantity	Or...	Purchase or...	Item	PO Text	Tax Code
1			EA	<input type="checkbox"/> 4500176122	1	Isotope 35S	E1 (HST)
2	11,320.00		2EA	<input type="checkbox"/> 4500176122	1	Isotope 35S	E1 (HST)

Use the appropriate **Layout** to:

- Select/deselect lines – use **All Information**
- Enter Line Item Text – use **MIRO CREATE LIV DETAILS**



Exercise 6 – Process Invoice Receipt

Instructions (approx. 10 -15 minutes)

Process a partial Invoice Receipt in QT1 for the Global Medical Products PO.



[Reference Guide](#)

Exercise 7 – Process a Partial Invoice Receipt

Instructions (approx. 10 – 15 minutes)

Process a partial Invoice Receipt for Grand & Toy PO.



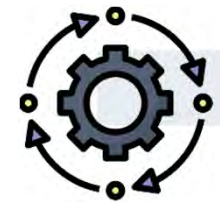
[Reference Guide](#)



Exercise 8 – Process a Partial Invoice Receipt

Instructions (approx. 10 – 15 minutes)

Process a partial Invoice Receipt for Grand & Toy PO.



[Reference Guide](#)



Payment Status and Method of Correction

Let's examine the process of correcting PO Invoices based on the **status of the cheque, draft or EFT**:

1. Payment **not issued**
2. Payment **issued by not cashed**
3. Payment **cashed/transmitted**



Scenario 1 – Payment has not been Issued

If the Clearing field is NOT populated between the Payment Method and Assignment field, it indicates the cheque, draft or EFT has not left UofT's accounts.

You can still:

- Cancel the Invoices
- Change certain fields
- Add lines to the PO

Display Document: Line Item 1

Additional Data

Vendor	861108	Parking Officer	G/LAcct	514000
Company Code	UOFT	100 College St., RM 222		
University of Toronto	Toronto	Doc. No.	2350613283	

Line Item 1 / Invoice / 31

Amount	2,700.00	CAD
Tax Code	**	

Additional Data

Bus Area	1000				
CD Base	2,700.00	CAD	CD Amount	0.00	CAD
Payt terms	YT00		Days/Percent	0 0.000 % 0 0.000 % 0	
Blinc Date	04.01.2022		Fixed		
Print block			Invoice Ref.	/ / 0	
Payt Method	R Pmnt Meth. Sup.				
Assignment	23506132832022				
Text	LA Conf, Jan22				

Long Text

Scenario 2– Payment has been Issued but not Cashed

If the **Clearing** field is populated, it indicates that the cheque/draft has been sent.

However, if there is no **Encashment Date**, it means that the payment has not been cashed.

What can you do?

- Request a stop payment
- process a Journal Entry
- Add lines to the PO

Proceed to Environment >> Check Information to learn more

Display Document: Line Item 1

Additional Data

Vendor Ricoh Canada Inc. G/L Acct
 Company Code P.O. Box 1600 Streetsville RPO
 University of Toronto Mississauga Doc. No.

Line Item 1 / Invoice / 31

Amount CAD
 Tax Code

Additional Data

Bus. Area	<input type="text" value="1000"/>				
CD Base	<input type="text" value="49.84"/>	CAD	CD Amount	<input type="text" value="0.00"/>	CAD
Payt terms	<input type="text" value="YT05"/>		Days/Percent	<input type="text" value="35"/> <input type="text" value="0.000"/> % <input type="text" value="0"/> <input type="text" value="0.000"/> % <input type="text" value="0"/>	
Bline Date	<input type="text" value="31.05.2021"/>		Fixed	<input type="text" value=""/>	
Print block	<input type="text" value=""/>		Invoice Ref.	<input type="text" value=""/> / <input type="text" value=""/> / <input type="text" value="0"/>	
Print Method	<input type="text" value=""/>	Print Meth. Sup.	<input type="text" value=""/>		
Clearing	<input type="text" value="09.06.2021"/>	/	<input type="text" value="2003803072"/>		
Assignment	<input type="text" value="19049231452022"/>				
Text	<input type="text" value="SCO93272406-Ricoh-Copy Usage May 2021"/>				

Long Text



Watch this simulation to learn how to locate the **Clearing** field.

Scenario 3 – Payment has Issued and Cashed

If the **Clearing** and the **Check Encashment** fields are populated, the recipient has cashed the cheque/draft.

The **Check Number** should be noted if it has not been cashed and needs to be stopped.

NOTE: The **Amount Paid** is the total for the entire University against that vendor in the cheque run.



[Learn how to request a stop payment on a cheque/draft.](#)

Display Check Information

 Check recipient Check issuer...  Accompanying docs  Payment document

Paying Company Code UOFT Payment Doc.No. 2003803072

Bank details

House bank	CIPP1	Bank Key	010
Account ID	00002	Bank Account	8194815
Bank Name	Canadian Imperial Bank of Commerce		
City	Toronto, Ontario		

Check information

Check number	9563332	Currency	CAD
Payment Date	09 . 06 . 2021	Amount Paid	36 , 479 . 27
Check encashment	16 . 06 . 2021	Cash discount amount	0 . 00

Check recipient

Name	Ricoh Canada Inc.
City	Mississauga
Payee's country	CA
Regional code	ON

How to Place a Stop Payment on a Cheque

Complete the “Cheque/Draft Re-issue or Cancel Request Form” and send to **Accounts Payable in Financial Services** at ap.fsd@utoronto.ca to request stop payment.

Indicate:

- the cheque number
- the document number
- the reason for the stop payment and
- Whether or not cheque will be reissued

If **NO changes required to the cheque** it can be reissued by Accounts Payable in the next cheque run (e.g., the original cheque was lost in the mail).

If the cheque will either be ‘**Not Re-issued**’ or ‘**Changes Required – Re-issued**’ (e.g., updates to **Address** or **Pmt Method**), Accounts Payable will notify the department when the original cheque has been cancelled.

Then the department will have to:

1. For ‘**Not Re-issued**’ cheques:
 - A/P Invoices: **Reverse the document**
 - Logistics Invoice: **Cancel Invoice Receipt**
2. For ‘**Changes Required – Re-issued**’ – perform a Document Change, populate the **Address** and **Pmt Method** fields then remove **Payment Block**



[Read this article to learn more.](#)

Exercise 9 – Process a Credit Memo

Instructions (approx. 10 - 15 minutes)

Process a Credit Memo for the damaged laser pointer ordered from Grand & Toy

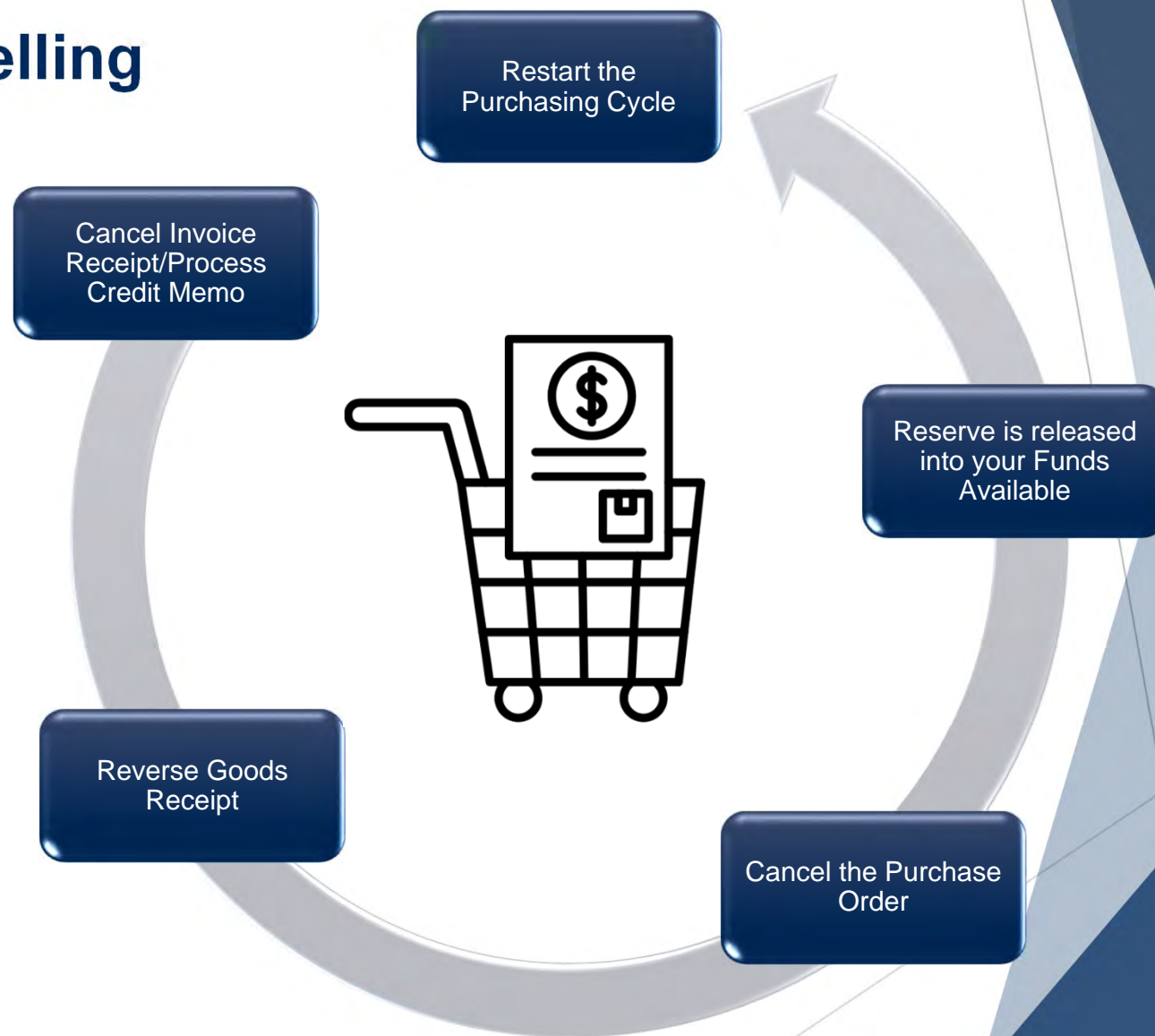


[Reference Guide](#)



Business Process for Cancelling a Purchase Order

When cancelling a Purchase Order, you are essentially going backwards in the Purchasing Cycle in order to release the remaining reserve in the PO.



[Learn more about how to cancel a Purchase Order](#)

Exercise 10 – Cancel a PO

Instructions (approx. 20 - 25 minutes)

Go backwards in the purchasing cycle by (1) **cancelling/reverse the invoice**, (2) reverse the Goods Receipts, (2) **Release the PO reserve** for both lines.



Course Material



Exercise 11 – Display a PO and Answer Questions

Instructions (approx. 5 - 10 minutes)

Display PO **4500175773** and answer the 7 questions.



Learning Objectives

- Understand the business process for Goods Receipts and reversals
- Process Goods Receipts
- Reverse Goods Receipts
- Understand the business process for PO Invoice Receipts
- Cancel Invoices and process PO credit memos
- Release PO reserves



[Link to Course Material](#)

Contact Information & Additional Resources



- **FAST General Mailbox** – fast.help@utoronto.ca
- [Faculty FAST Team Representatives List](#)

- [GTFM Policy – Purchasing & Payments to Vendors](#)
- [Knowledge Centre](#)
- [Documentation & Support](#)



We are always looking for ways to improve.
[Click here](#) and take a moment to complete our course evaluation.