FINANCIAL INFORMATION SYSTEM

FIS Standard Curriculum

A/P Processing Part 1: Basic Data Entry

UNIVERSITY OF
TORONTO

Course Objectives

This course will help you:

- Understand the Accounts Payable (A/P) Business Process

- Understand various A/P transactions

- Process A/P Invoice payments and Credit Memos

- Effectively use the "Alternate Payee" Option

- Effectively use OTA vendor numbers

Identifying A/P Transaction Screens

A/P Transactions:

1. **Vendor Invoice** screen

    Common Uses Include:
    - **Processing a payment to an external vendor**, when the purchase is less than $10,000 (before taxes)

    - **Petty Cash Reimbursements** - small cash amounts given to departments to cover small purchases (i.e., $100 or less)

    - **Imprest Bank Account Reimbursements** – a small cheque amount deposited into departmental bank account to cover small purchases (i.e., $500 or less)

    - **Expense Reimbursements using U of T cheques** (covered in A/P Part 2 course)

2. **Credit Memo** screen

    Used when:
    - To **apply a credit to an account for returned goods or overpayment** (only when using a vendor with Vendor Master Record)

3. **Expense Reimbursement Direct Deposit** (ERDD) screen (covered in A/P Part 2 course)

Identifying A/P Transactions

Unique FIS codes are used to distinguish A/P transactions types:

	Invoice *not* requiring a P.O. (and Cheque Requests)	Credit Memo	Expense Reimbursement (non ERDD)	Petty Cash Replenishment	Imprest Account Replenishment
Document Type	KN	KG	KE	KC	KI
Description in FIS	A/P Vendor invoice	Vendor Credit	Expense Reimbursement	Petty Cash Fund	Imprest Expense
Document Number series *(10 digit numbers)*	**19**xxxxxxxx	**19**xxxxxxxx	**23**xxxxxxxx	**21**xxxxxxxx	**22**xxxxxxxx

GTFM - Policy:
- Certified Invoices: http://finance.utoronto.ca/policies/gtfm/purchasing-and-payments-to-vendors/certified-invoices/
- Payments without Invoices Processed in FIS: http://finance.utoronto.ca/policies/gtfm/purchasing-and-payments-to-vendors/payments-without-invoices-processed-through-fis/
- Petty Cash: http://finance.utoronto.ca/policies/gtfm/purchasing-and-payments-to-vendors/petty-cash/
- Imprest Expenditure Bank Account: http://finance.utoronto.ca/policies/gtfm/purchasing-and-payments-to-vendors/imprest-expenditure-bank-account/
- Purchasing and Payment: http://finance.utoronto.ca/policies/gtfm/purchasing-and-payments-to-vendors/
- Expense Reimbursements: http://finance.utoronto.ca/policies/gtfm/travel-and-other-reimbursable-expenses/

Business Process of an A/P transaction

Step 1   Get approval for payment

Step 2   Obtain FIS account information (e.g., FC, CC, G/L)

Step 3   Process invoice in FIS

Step 4   Note the system generated document number on the source document (e.g., invoice, expense report form) and if required, notify other parties of posting.

Step 5   File document(s) in accordance with **UofT File Plan**

Forms: Expense Report/Accountable Advance Form
  - http://finance.utoronto.ca/forms/processing/

GTFM Policy: U of T File Plan:
  - http://finance.utoronto.ca/policies/gtfm/financial-management/source-documents-and-the-audit-trail/records-management-archiving-and-destruction-of-records/

Using the Enter Vendor Invoice Screen

SAP Menu Path: Accounting >> Financial Accounting >> Accounts Payable >> Document Entry >> Invoice

Transaction Code: FB60

QRG: Create Invoice
https://sapdocs.easi.utoronto.ca/gm/folder-1.11.2573?mode=EU
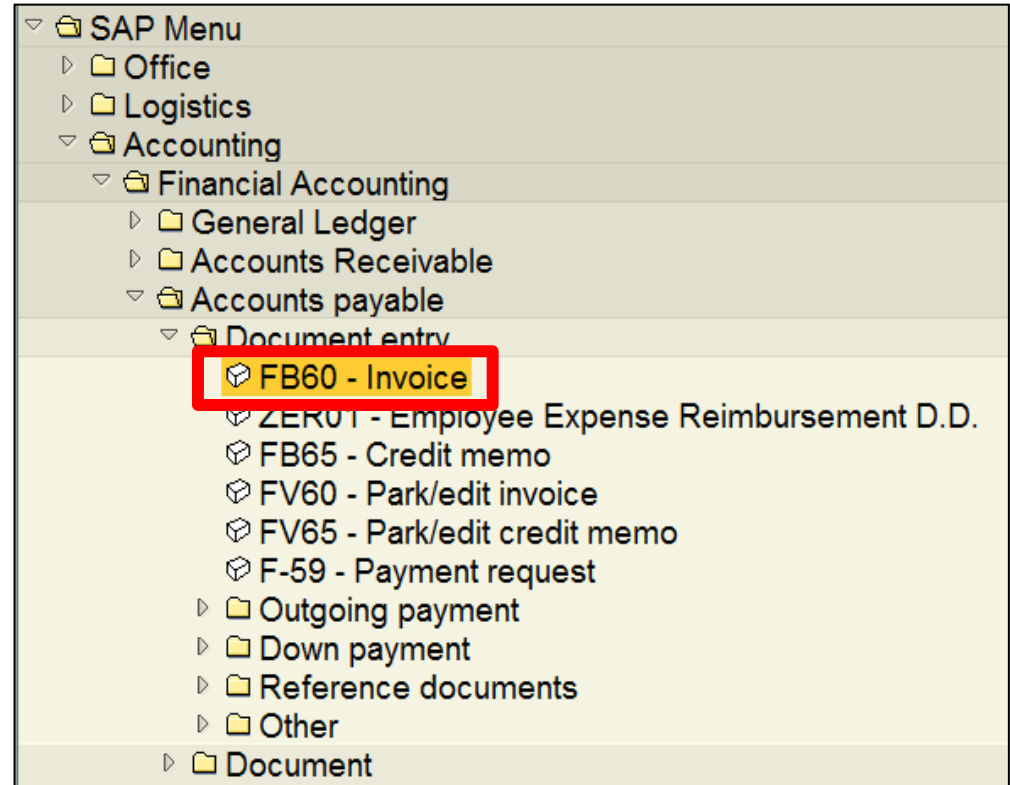
Using the Enter Vendor Invoice Screen (cont'd)

Input screen & Document types processed through this transaction:

The **Invoice** transaction (default):

- "**Transactn**" = "**Invoice**"

- "**Document Type**" = "**KN**"

- **line items** = "**Debit**"

FIS Vendor Match Code Search

Transactn — Invoice

| Basic data | Payment | Details | Tax | Notes |

Vendor

Invoice date — Reference

Click in the "Vendor" field for the **Match Code Search** button

If the Vendor Number is unknown, use the Match Code Search to locate number by:

1. Partial Name

2. Partial Vendor #

3. Postal Code

Account or Matchcode for the Next Line Item (2)

| Vendors (by name) | Vendors (by acct. group) | Proceed Initially Accor... |

Account group

Name — *grand*

Name 2

Vendor

Postal Code

City

Search term

Maximum No. of Hits — 500

FIS Vendor Account Groups (cont'd)

Account or Matchcode for the Next Line Item (2)

Vendors (by name)	Vendors (by acct. group)	Proceed Initially Accor...

Account group

Name 🔳 *grand*

Name 2

Vendor

Postal Code

City

Search term

Maximum No. of Hits 500

Account or Matchcode for the Next Line Item (2)   17 Entries found

0: Vendors (by name)	1: Vendors (by acct. group)	V: Proceed Initially According to Creditor Sub-Ledger Account

Group	Name 1	Name 2	Vendor	PostalCode	City	SearchTerm
YEAD	JEAN DE GRANDPRE	C/O TED SHEPHERD	503087		U OF T	DEGRANDPRE
YERD	SANDRA E GRANDE	WOODSWORTH COLLEGE	842782	M5S 1A9	TORONTO	GRANDE
YERD	SHARON GRANDISON	FACULTY OF KINESIOLOGY &	838295	M5S 2W6	TORONTO	GRANDISON
YRCA	BISTRO GRANDE RESTAURANT		115932	M6C 2C5	TORONTO	A/P & PO
YRCA	GRAND & TOY		100816	L4L 9C7	VAUGHAN	PO ONLY
YRCA	GRAND & TOY		100817	M3C 3L5	DON MILLS	A/P ONLY
YRCA	GRAND FINANCIAL MANAGEMEN		122035	L4K 5X1	VAUGHAN	A/P AND PO
YRCA	GRAND TORONTO VENTURE, LP		123246	M5R 2E8	TORONTO	A/P AND PO
YRCA	GRANDE-ALLEE		116390	H3A 2L1	MONTREAL	A/P AND PO
YRCA	GRANDMOTHER'S TOUCH INC		125966	L4W 4N5	MISSISSAUGA	A/P AND PO
YRCA	GRANDVIEW CHILDREN'S CENT	ATTN: SANDRA ADAMS - FINA	125602	L1H 7K6	OSHAWA	A/P & PO
YRCA	GRANDVIEW PRODUCTIONS		105400	M4B 3C3	TORONTO	A/P AND PO
YRCA	JD GRANDT PIANO SUPPLY CO		106795	L4E 2W1	RICHMOND HILL	A/P AND PO
YRCA	LIBERTY GRAND ENTERTAINME	EXHIBITION PLACE	111281	M6K 3C3	TORONTO	A/P AND PO
YRCA	THE EGLINTON GRAND		122930	M5N 1A2	TORONTO	AP AND PO
YRUS	GRAND VALLEY STATE UNIVER		301455	49401-9403	ALLENDALAE	A/P AND PO

Example: Search for a vendor whose name includes '*grand*'.

Result:

- when selecting a vendor, ensure the appropriate **"A/P only"** or **"A/P AND PO"** vendor is chosen in the *Search Term* column

Basic Data tab

Once the Vendor Number has been determined, enter remaining required information in the **Basic Data** tab.

Enter Vendor Invoice: Company Code UOFT

🔳 Tree on   📟 Company Code   🐸 Hold   🔢 Simulate   💾 Park

Transactn	Invoice

Basic data | Payment | Details | Tax | Notes

Vendor	100333		
Invoice date	03.08.2018	Reference	72520
Posting Date	03.08.2018	Period	4
Document Type	KN:A/P Vendor invoic		
Cross-CC no.			
Amount	973.48	CAD	☑ Calculate tax
Text	72520, Dell Canada, Computer Supplies and Software		
Paymt terms	35 Days net		
Baseline Date	03.08.2018		
Company Code	UOFT University of Toronto		

Reference: refer to source document (e.g., invoice #)

Invoice Date: Issue date of the invoice document

Important! This date determines when the cheque is issued (use calendar to select date)

Amount: Amount to be paid to vendor, including taxes (i.e., payment indicated on invoice doc).

Text: A description of the payment.

Recommended - *Invoice Number, Vendor Name* and *brief description* (e.g., 123456, Grand & Toy, Office Supplies)

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Sample FIS Transaction

Vendor Invoice Transaction

- **G/L acct (FI)**

- **Business Area (FI)**

- **Funds Center (&/or Fund) (FM)**

- **Cost Center** or **Internal Order (CO)**

Enter Vendor Invoice: Company Code UOFT

🔒 Tree on   📟 Company Code   ✂ Hold   🖼 Simulate   💾 Park

Transactn	Invoice				Bal.	0.00

Basic data | Payment | Details | Tax | Notes

					Vendor

Vendor: 100333

Invoice date: 03.08.2018   Reference: 72520

Posting Date: 03.08.2018   Period: 4

Document Type: KN:A/P Vendor invoic

Cross-CC no.:

Amount: 973.48   CAD   ☑ Calculate tax

Text: 72520, Dell Canada, Computer Supplies and Software

Paymt terms: 35 Days net

Baseline Date: 03.08.2018

Company Code: UOFT University of Toronto

Address
Dell Canada Inc.
Station "A"
P.O. Box 8440
Toronto ON M5W 3P1
☎ 416-758-2242

⊞ OIs

3 Items (Screen Variant : Line Item Entry - FB60 + FB65)

Status	G/L acct	Short Text	D/C	Amount in	Business area	Cost center	Order	Funds center	Fund	Commitment itm
✔	821110	Equip:Comput:	Debit	849.99	1000	208128		208128	400206	SUPPLIES
✔	825200	Computer Soft	Debit	109.99	1000		920130	200818		EXP-UTFA
✔	825820	Computer Sup_	Debit	13.50	1000	13424		100654		SUPPLIES
			Debit							

FI   FI   CO   CO   FM   FM   FM

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OTA Vendor Numbers

An OTA Vendor should only be used when:

- A vendor account does not exist

- The transaction does not exceed $9,999.99 (before tax)

- You do not anticipate using the vendor more than once in a fiscal year

Article: https://finance.utoronto.ca/knowledgecentre/use-ota-vendor-account-request-permanent-vendor-account-question/

QRG: Enter Invoice using OTA Vendors:
- https://utoronto.ancileuperform.com/#/content/1.11.2567

OTA Vendor Numbers

OTA Vendor numbers:

- 990001 - Canadian vendors (CAD currency cheque)

- 990002 - U.S. vendors (USD currency cheque)

- 990003 - Foreign vendors (Foreign currency drafts)

Article: https://finance.utoronto.ca/knowledgecentre/use-ota-vendor-account-request-permanent-vendor-account-question/

QRG: Enter Invoice using OTA Vendors:
- https://utoronto.ancileuperform.com/#/content/1.11.2567

Using the Alternate Payee Addressing Option

Individual (Alternate) Payee option:

- Re-directs a vendor payment to an alternate address using an established vendor number
- Eliminates the need to re-enter the "**Payee**" name
- Enables the continued tracking of purchases from the vendor
- Is used **instead** of an OTA vendor number

Accessing Individual Payee Option:

1. Complete required fields on the "**Basic data**" tab

2. Select the "**Payment**" tab

3. Click the "**Individual payee**" checkbox

4. Enter the alternate address in the pop-up window

Enter Vendor Invoice: Company Code UOFT

🔲 Tree on   🔲 Company Code   ◈ Hold   🔲 Simulate   🔲 Park   ✏ Editing options

| Transactn | Invoice | | Bal. | 0.00 | ∞🔲 |

Basic data | **Payment** | **Details** | **Tax** | **Notes**

			Vendor
BaselineDt	07.11.2011	Payt Terms	YT05	35	Days		Address
Due on	12.12.2011				Days		Dell Canada Inc.
CashDiscnt		CAD			Days net		Station "A"
Disc.base		CAD	To be calcultd				P.O Box 8440
Pmt Method		Pmnt Block		Free for payment			Toronto ON M5W 3P1
Inv.ref.							☎ 416-758-2242
		House Bank					

☐ Individual payee

⊞ OIs

The vendor selected appears on the right side of screen

QRG: Using Alternate Payee Address

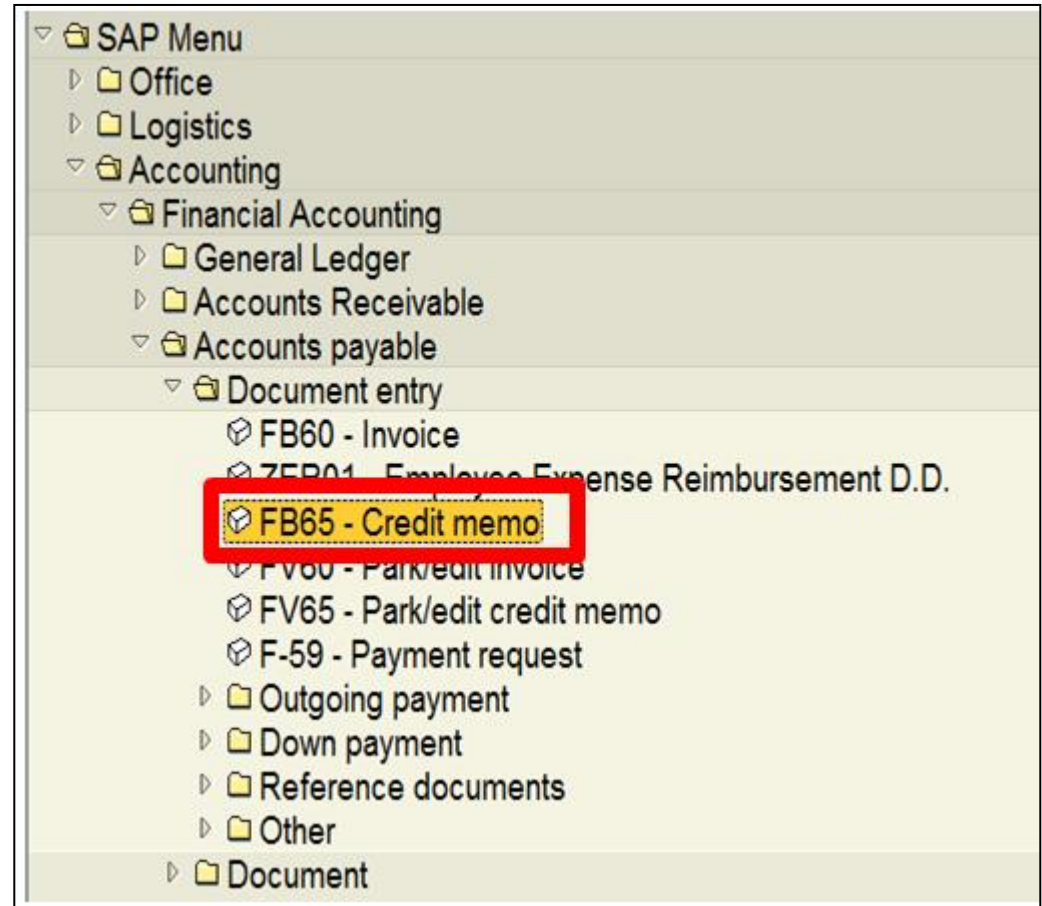https://sapdocs.easi.utoronto.ca/gm/folder-1.11.2570?mode=EU

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Using the Enter Vendor Credit Memo Screen

SAP Menu Path: Accounting >> Financial Accounting >> Accounts Payable >> Document Entry >> Credit Memo

Transaction Code: FB65

QRG: Credit Memo
https://sapdocs.easi.utoronto.ca/gm/folder-1.11.2623?mode=EU

Using the Enter Vendor Credit Memo Screen (cont'd)

Posting a **Credit Memo** issued by a vendor (in place of a refund for goods returned):

The **Credit Memo** transaction (default):

- "**Transactn**" = "**Credit memo**"

- "**Document Type**" = "**KG**"

- **line items** = "**Credit**"

FIS Vendor Account Groups

When reference is made to a "**Canadian**", "**US**" or "**Foreign**" vendor account, it is referring to:

- **Payment CURRENCY** (not the vendor address **country code**)

Vendor's may have a multiple vendor numbers depending their preferred payment currency. Ensure you select the vendor number based on the **payment currency** and **NOT their address**.

*Important!: If a vendor requests payment in a currency outside of their vendor group, **contact Procurement Services** to create a new vendor number reflective of the requested currency (e.g., foreign vendor (4xxxxx) requests payment in USD; a US vendor (3xxxxx) should be created).

> **Example:**
> - **Vendor:** Hitachi Canada LTD - *wants to be paid in **U.S.** dollars*
> - **Address:** PO Box in Toronto (*country code = CA*)
> - **Vendor number:** **3**xxxxx (not **1**xxxxx)

FIS Vendor Account Groups (cont'd)

Canadian Currency Vendors:

Vendor Number: **1**XXXXX

US Currency Vendors:

Vendor Number: **3**XXXXX

Foreign Currency Vendors:

Vendor number: **4**XXXXX

Note: The method of payment to a vendor depends on the payment currency.

- **CAN** and **USD** currency payments are issued by cheque

- Payments in **Foreign** currency are issued using a Foreign Draft

Understanding Tax Codes

Use of the correct tax codes ensures that:
- Taxes are remitted
- Rebates are collected by the University

HST is comprised of a GST and an OVAT component.

	Regular HST Rate	**UofT Tax Rebate**	**UofT Tax Rate**
GST	5%	67%	1.65%
OVAT	8%	78%	1.76%
Total	13%	72.5% average	3.41%

Understanding Tax Codes

Example:
An invoice for $113.00 ($100.00 + 13% HST)

Purchase using tax code: E1

Cost:	$100.00
HST (8% OVAT + 5% GST):	$13.00
Invoice total (amt. paid to vendor):	**$113.00**
OVAT Rebate @ 78%:	-$6.24
GST Rebate @ 67%:	-$3.36
Net Departmental Cost:	**$103.41**

FIS Tax Codes

Common Tax Codes used in purchase transactions:

Tax Code	Explanation
E1	GST Rebate 67% OVAT Rebate 78% → 3.41% effective tax rate
E0	HST 0% (**exempt**)
E4	GST 5% (on invoice): non-HST province **Self-Assess 8%** → 3.41% effective tax rate
ES	HST 13% not charged but applies **Self-Assess 13%** → 3.41% effective tax rate

Tax Code Hints	
Expense Tax Codes	Use G/L acct.'s in **8**xxxxx series
Revenue Tax Codes	Use G/L acct.'s in **7**xxxxx series
J9	**Internal** Use Only; HST exempt Internal expense transfers and corrections (G/L acct. 8xxxxx)
S9	**Internal** Use Only; HST exempt Internal sales/recoveries and corrections (G/L acct. 7xxxxx)

Tax Code Summary Table:
https://finance.utoronto.ca/wp-content/uploads/2015/09/HST-Tax-Code-Summary-Table_updated-20171129.pdf

Posted A/P Documents & The Cheque Production Process

Cheque Production Process:

1. **Who** is responsible for cheque production?
   - Payment Inquiries (Accounts Payable), Financial Services Department.
     - o All cheques are printed and mailed centrally

NOTE:
Mailing address on cheque is taken from the Vendor Master Record with the following exceptions:
   - when an OTA vendor is used **or**
   - when the "Alternate Payee Address" option is used

QRG: Enter Invoice Using One Time Only Vendor – FB60
   - https://sapdocs.easi.utoronto.ca/gm/folder-1.11.2567?mode=EU

QRG: Enter Invoice Using Alternate Payee Address- FB60
   - https://sapdocs.easi.utoronto.ca/gm/folder-1.11.2570?mode=EU

FAQs: Addressing Cheques
   - http://finance.utoronto.ca/faqs/addressing-cheques/

2. When are the cheques produced?

- **Cheques** are produced on **Wednesdays**

  - **Canadian and US Dollar Cheques**

  - **Foreign Currency Drafts**

  - **Expense Reimbursement Cheques**

  (does not include ERDDs)

FAQs: Cheque Production
- http://finance.utoronto.ca/faqs/cheque-production/

Posted A/P Documents & The Cheque Production Process (cont'd)

3. How is a posted A/P document selected for inclusion in the cheque run?

System looks at **2** pieces of information:

- **Invoice (document) date**

- **Payment terms**

Example:
A document has an **invoice (document) date of June 1** and the **payment terms are YT05 (35 days)**.

Explanation:
The cheque will be produced during the cheque run scheduled on or immediately before **July 6** (June 1 + 35 days). If the document was entered after the due date (i.e., July 6), the cheque will be produced in the next cheque run.

Course Objectives

Review:

- Understand the Accounts Payable (A/P) Business Process

- Understand various A/P transactions

- Process A/P Invoice payments and Credit Memos

- Effectively use the "Alternate Payee" Option

- Effectively use OTA vendor numbers

WEB Documentation

- ## Reference Guides:
  All Accounts Payable invoice transactions
  http://finance.utoronto.ca/fast/support-documentation/financial-accounting/accounts-payable/invoice/

- ## Financial Forms
  http://finance.utoronto.ca/forms/processing/

- ## Guide to Financial Management (GTFM):
  Purchasing & Payments to Vendors

  http://finance.utoronto.ca/policies/gtfm/purchasing-and-payments-to-vendors/

- ## Frequently Asked Questions (FAQ):
  http://finance.utoronto.ca/faqs/

- ## Tax Code Summary
  https://finance.utoronto.ca/wp-content/uploads/2015/09/HST-Tax-Code-Summary-Table_updated-20171129.pdf

NEED HELP?

https://easi.its.utoronto.ca/ams-help-form/

Help is a facility for all AMS subsystems:

- Use the WEB form found at the above address

- Select the appropriate AMS module

  (e.g., FIS: FAST Team)

- Complete all the information required on the form

- Click on the **Send it!** button

fast.help@utoronto.ca
Mail box is monitored Monday to Friday
9:00 a.m. - 5:00 p.m.

FAST Team Contacts

Manager	Chris Dimitriadis chris.dimitriadis@utoronto.ca	946-3153
Senior Business Analyst	Maryanne McCormick m.mccormick@utoronto.ca	946-3291
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FIS Standard Curriculum Evaluation:
http://finance.utoronto.ca/fast/fis-training/course-evaluation-fis-training/
FAST website:
http://finance.utoronto.ca/fast/