Day 5
Logistics Part 2 – Goods Receipts & Invoice Receipts
Learning Objectives

This course will help you:

• Understand when to create Goods Receipts and Invoice Receipts

• Process Goods Receipts and Invoice Receipts

• Make adjustments to Goods Receipts and Invoice Receipts

• Finalize and cancel PO for outstanding quantities once a GR/IR is created
Day 5 - Workshop Map

Morning
• Reviewing the Purchasing Cycle
• Goods Receipt (GR)
  • GR – What is it?
  • GR – The Business Process
  • GR – Purchase Order History Tab
  • GR – Adjustments to GR - GR Reversal

Afternoon
• Invoice Receipt (IR)
  • IR – What is it?
  • IR – The Business Process
  • IR – Purchase Order History Tab
  • Adjustments to a Processed IR
  • Settle/Finalize PO upon GR/IR Completion
Reviewing the Purchasing Cycle

1. Place order (Create PR and or PO)
2. Request/requirement for goods/services initiated
3. Select Vendor(s) (External Suppliers)
4. Check Budget availability (in FM)
5. Invoice Verified & Processed (creates actual in FM)
6. Goods Receipt (GR) (creates accrued liability in FI and actual in CO)
7. Issue Payment

Departments involved:
- Purchasing
- Funds Management
- Inventory Management
- Accounts Payable
Goods Receipts
GR – What is it?

The Good Receipt (GR):
An acknowledgement in FIS that the University has received and accepted goods and/or services that were ordered using a PO.

Processing a GR:
• implies that payment can proceed because the conditions of the Purchase Order were met

• is not processed until the agreed upon goods/services are received
GR – The Business Process

Step 1: Confirm goods delivered is related to a PO

Step 2: Verify the packing slip or delivery note information provided by vendor. If no packing slip is included, create your own receiving/material report.

Step 3: Recipient acknowledges that goods or services are in acceptable condition

Step 4: Create GR in FIS

Step 5: Record FIS GR document number on your supporting document

Step 6: File document(s) in accordance with UofT File Plan
Receiving Report

If goods are received without a packing slip, departments are required to create a **Receiving Report** as a substitute. The Receiving Report acts as the source document when processing a Goods Receipt.

When creating a receiving report, it must include:

- Supplier’s name and address
- Receiving location (e.g., department’s street address, building, room number)
- Quantity received
- Description of all items received
- Signature (and printed name) of the individual who inspected the goods
- Purchase Order number
- Is this a partial shipment?
- Indication that the goods have been received in good condition or are to be returned to the vendor, and if so, include a short explanation of the reason for the return
- Document number provided by the system once goods receipt is posted

**GTFM Policy:** Receiving Report

GR as an FIS Transaction

The GR document:

• indicates goods and/or services have been received (as specified in the P.O. document).
• can refer to either the entire P.O. or parts of it (i.e., partial shipment).
• is recorded on the **Purchase Order History** tab within the P.O., which provides a tracking mechanism indicating the status of the goods.
• Records as:
  o an **accrued liability** in Financial Accounting
  o an **actual** expense to the **Cost Center** or **Internal Order** in Controlling

**Note:** GR does not post as an actual to the FC or FC/Fund in Funds Management until the Invoice Receipt (IR) is posted.

**QRG:** Goods Receipt Create or Reverse
The **Purchase Order History** tab will only be available if a GR has been processed.
Invoice Receipts
Adjustments to a Processed GR

GR Reversal:

If, after the GR is processed, goods are found to be unsatisfactory, and supplier is unable to replace them with satisfactory goods in a timely manner, return the goods to suppliers for credit.

GTFFM Policy: Returning Goods to Suppliers

QRG: Goods Receipt Create or Reverse
IR – What is it?

Invoice Receipt (IR):

• acknowledges that the vendor has sent an invoice

• represents vendor’s **formal request for payment** for goods/services delivered

**Note:** An IR can be only be processed for an item if a GR has already been processed.

**GTFM Policy:** Purchase Order Invoice or Invoice Receipt

IR – The Business Process

Step 1: Receive vendor invoice requesting payment.
Step 2: Determine PO related to invoice payment.
Step 3: Verify that goods are received in satisfactory and agreed upon condition
Step 4: Ensure Goods Receipt document has been posted in FIS
Step 5: Create IR in FIS
Step 6: Record FIS IR document number on your supporting document and file according to the U of T File plan

QRG: Create Invoice (PO related) for an Invoice Receipt
IR as an FIS Transaction

IR as an FIS transaction:

- request for system payment
- releases FM commitment (i.e., P.O. reserve)
  (reserve/commitment created by P.O. becomes an actual expense)

**QRG:** Create Invoice (PO related) for an Invoice Receipt
Adjustments to a Processed IR

Adjustments to processed IR documents depend on its **cheque status**:

1. Cheque NOT issued ➔ IR reversal
2. Cheque issued & NOT cashed ➔ Request stop payment
3. Cheque cashed ➔ Credit Memo

**FAQ:** Verifying Whether a Cheque has been Produced/Cashed

Adjustment to a Processed IR: IR Reversal

Cheque Not Issued ➔ IR reversal:

If cheque has NOT been issued, refer to the Cancel Invoice Receipt reference guide to learn how to:

- reverse the IR document
- contact Accounts Payable to cancel/clear the associated FI documents (51xxxxxxxx)

QRG: Cancel Invoice Receipt (IR)
Adjustment to Processed IR: Request Stop Payment

Cheque issued, NOT cashed ➔ Request stop payment

1. Complete the Cheque/Draft Re-issue or Cancel Request Form.

2. Scan and email the form to Accounts Payable in the Financial Services Department via email at ap.fsd@utoronto.ca. Also, if you are in possession of the cheque attach a scanned copy of it in the email.

Include the following in your email:

- your Contact information
- Cheque number
- Document numbers (each IR is issued two document numbers)
  - Logistics IR document number: 52xxxxxxxx
  - FI document number: 51xxxxxxxx
- Reason for the Stop Payment
- Whether or not cheque will be reissued
Adjustment to a Processed IR: Credit Memo

Cheque HAS been cashed ➞ Credit Memo

When entering a **PO related Credit Memo**, enter the “**Enter Invoice**” screen and change the transaction to “**Credit memo**":

![Screenshot of Enter Incoming Invoice: Company Code UOFT](image)

**QRG:** Create Invoice or Credit Memo (PO related)

**IR – The Purchase Order History tab**

- **Purchase Order History tab after GR and IR have been processed**
  - The image shows a table with columns for Material, Short Text, PO Quantity, Deliver Date, Net Price, and Currency for items like `Standard G&T flip stands`, `G&T #345 flip stand charts`, `Proxima overhead project`, `Stats laser pointer`, and `Shipping & handling`.
  - There are delivery and invoice records with dates and quantities, including `GR` and `IR` entries.
Settle/Finalize PO upon GR/IR Completion

Question 1:
When is it necessary to finalize/cancel a PO line item?

Answer 1:
When there is an outstanding PO line item quantity balance, but no further deliveries or invoices will be received.

Question 2:
What happens when a PO line item is finalized/cancelled?

Answer 2:
The PO funds reservation (commitment) is released back into the funding source's free balance.

FAQ: Purchase Order – Goods Receipts – Invoice Receipt

QRG: Purchase Order Finalize or Cancel
Course Objectives

Review:

• Understand when to create Goods Receipts and Invoice Receipts

• Process Goods Receipts and Invoice Receipts

• Make adjustments to Goods Receipts and Invoice Receipts

• Finalize and cancel PO for outstanding quantities once a GR/IR is created
Guide to Financial Management (GTFM):


Quick Reference Guides (QRGs):


Frequently Asked Questions (FAQs):


• Verifying Whether a Cheque has been Produced/Cashed: [http://finance.utoronto.ca/faqs/cheque-production/](http://finance.utoronto.ca/faqs/cheque-production/)
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

Mail box is monitored Monday to Friday
9:00 a.m. - 5:00 p.m.
# FAST Team Contacts

<table>
<thead>
<tr>
<th>Role</th>
<th>Name</th>
<th>Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Rep</td>
<td>Nusrath Mohiuddin</td>
<td>978-4042</td>
</tr>
<tr>
<td></td>
<td></td>
<td><a href="mailto:nusrath.mohiuddin@utoronto.ca">nusrath.mohiuddin@utoronto.ca</a></td>
</tr>
<tr>
<td>Secondary Rep</td>
<td>Maryanne McCormick</td>
<td>946-3291</td>
</tr>
<tr>
<td></td>
<td></td>
<td><a href="mailto:m.mccormick@utoronto.ca">m.mccormick@utoronto.ca</a></td>
</tr>
<tr>
<td>Business Analyst</td>
<td>Rames Paramsothy</td>
<td>978-4675</td>
</tr>
<tr>
<td>(Training Coordinator)</td>
<td></td>
<td><a href="mailto:rames.paramsothy@utoronto.ca">rames.paramsothy@utoronto.ca</a></td>
</tr>
</tbody>
</table>

---

**Workshop Evaluation:**

http://finance.utoronto.ca/fast/fis-training/course-evaluation-fis-training/

**FAST website:**

http://finance.utoronto.ca/fast/