

Purchase to Pay User Forum November 2014

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New to the P2P User Forum?

What is it?

- Enable Finance and Procurement to communicate with QMUL staff involved in making decisions about purchasing goods/services, raising and approving requisitions, to share guidance, best practice and send updates
- Distribution lists on Sympa (College Mailing Lists) being updated after new workflows set up
 - Finance-p2prequisitioners
 - Finance-p2papprovers
- Forum supported by guidance available on the intranet, face to face briefings / workshops and online training

Today's topics

1. New purchase requisition workflow on Agresso (from Aug 2014)
2. Overview of Purchase to Pay Process
3. Hints and tips from Financial Systems Team
4. Update from Accounts Payable on invoice processing
5. QMUL guidance for HMRC compliant decision re employee vs self-employed status launched – Nov 2014
6. Training available / guidance / key points of contact
7. Q & A

1. New purchase requisition workflow on Agresso

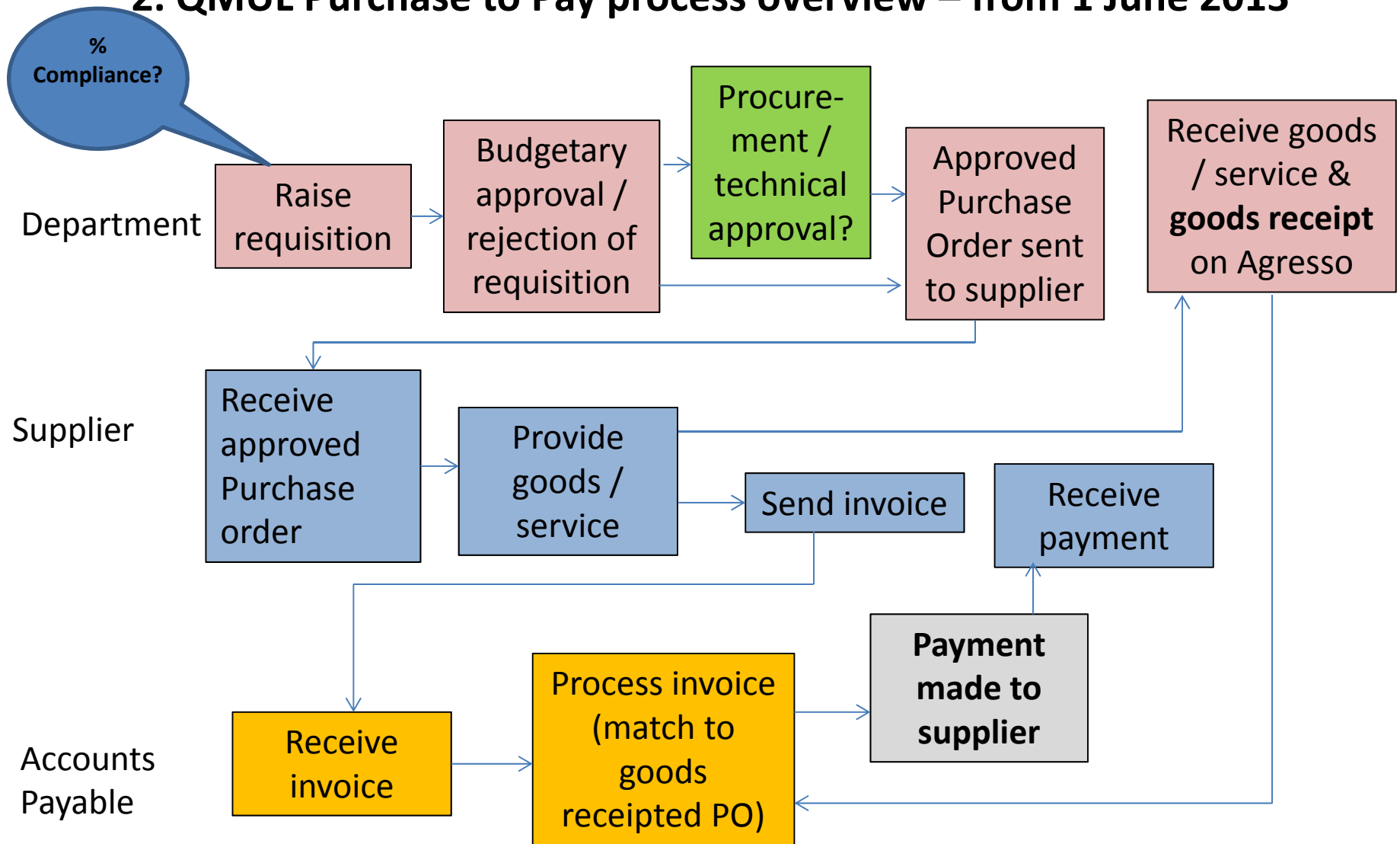
Prior to Aug 2014	From August 2014
Out of sync with approved Scheme of Delegation of Financial Authority (approved by Council 2013)	Aligned to approved Scheme of Delegation of Financial Authority (approved by Council 2013 & 2014)
Approval based on line manager (not linked to budget holder accountability)	Workflowed to the budget holder (or their delegate) accountable for the relevant cost centre
Users with dual roles (requisitioners & approvers)	Segregation of duties between requisitioners and approvers
Users with high self-approval limits (out of sync with scheme of delegation)	Self-approval limited to £100 (in line with scheme of delegation)
High value requisitions often signed off by only one person (and sometime self-approved by requisitioner)	More than 1 person in approval chain for high value requisitions (with no self-approval over £100)
Approvers with different approval limits – no standard values	Standard maximum approval limits assigned to approvers (in line with scheme of delegation table)

1. New purchase requisition workflow on Agresso

Prior to Aug 2014	From August 2014
Requisition rejections – manually communicated by Financial Systems Team back to requisitioner, unable to amend details	Requisition rejections - automatically workflow back to the requisitioner, who can make changes to the requisition and re-submit it for approval (if appropriate)
Approver substitutes – activated via request to Financial Systems Team	Approver can now self-select to delegate their approval limits on Agresso for the period they are out of the office (substitute details captured as part of new workflow set up)
No automated reminders or escalations set up for Agresso tasks	Automated reminder sent after 4 days, and if Agresso task not actioned within next 2 days, escalated to users “supervisor” (usually next person in approval chain) to ensure tasks don’t get stuck (e.g. forgot to activate substitute)

Further details – <http://qm-web.finance.qmul.ac.uk/purchasing/purchase2pay/index.html>

2. QMUL Purchase to Pay process overview – from 1 June 2013



2. QMUL Purchase to Pay process overview – from 1 June 2013 (cont'd)

- ✓ Purchase Orders must be raised and sent to suppliers
 - valid QMUL PO must be sent to the supplier when you place your order
- ✓ Departments goods receipt Purchase Orders promptly
- ✓ Suppliers send invoices, credit notes and statements directly to Accounts Payable quoting relevant PO number

Email: apinvoices@qmul.ac.uk or

Post to: QMUL Accounts Payable, PO Box 68942, London E1W 9JD

- ✓ Accounts Payable process invoices (match goods receipted PO to invoice)

Accounts Payable - contact details for payment related queries only:

Email: accountspayable@qmul.ac.uk or Tel. 0207 882 7736

Challenging Scenarios & Solutions – Any others?

SCENARIO	SOLUTION
1. Emergency call outs	<ul style="list-style-type: none"> • Call off order put in place or payment by Purchasing Card
2. Additional requirements to those originally anticipated PO. E.g. extended use of hire of equipment	<ul style="list-style-type: none"> • Process needs to be agreed with supplier for an early alert to extended hire so that a further purchase order can be put in place before the extension period commences
3. Overlooked annual contract renewal and only prompted by supplier presenting renewal invoice	<ul style="list-style-type: none"> • Diarise dates when new orders need to be raised. Agree with supplier that they send a renewal quote and not an invoice. In any case the supplier has received communication from QMUL that they must not raise an invoice that does not quote a purchase order number. An example of good practice was CCLS raising a PO in advance for £1m worth of property lease payments.
4. Delays in the approval of purchase requisitions lead to people engaging the supplier because the requirement becomes urgent.	<ul style="list-style-type: none"> • Workflow of purchase requisition needs to be to the appropriate budget holder who has familiarity with the requirement. Department must ensure suitable approval cover is in place in the absence of requisitioners and approvers. Requisitioners and approvers must ensure financial regulations have been followed to ensure approval process runs smoothly. • Lack of supporting documentation (e.g. no evidence of competitive quotations)
5. Delays in approving and setting up new suppliers on Agresso	<ul style="list-style-type: none"> • A service level for the approval and set up of new suppliers on Agresso is in place. Subject to the request being presented appropriately and being in accordance with the financial regulations / other approved suppliers already exist?

Purchase to Pay – POs vs Purchasing cards

2 accepted methods for purchasing goods / services

(1) Agresso Purchase Order including e-marketplace	(2) Purchasing Card
<ul style="list-style-type: none">Used for regular purchases (i.e. not a one-off purchase)	<ul style="list-style-type: none">Use for one-off low value requirements – “business use only”Cannot be practically sourced from suppliers currently on QM database
	<ul style="list-style-type: none">Typically order value <£500 <p>e.g. conference fees, training courses, online purchases</p>

Raising requisitions – your quick checklist

- Is purchase necessary?
- Budget available? Authority to commit spend?
- Value of purchase (procurement procedures, quotes etc)?
- Correct / appropriate supplier?
- Selected right type of order – Quantity vs Value (Call Off) order?
 - correct product code?
- Relevant & meaningful description for order being placed
- Correct quantity / cost / value of order (net price – **excluding VAT**)
- Additional costs – included e.g. postage, delivery charge etc?
- Correct budget code (& ensure not closed before invoice paid)
- Correct VAT code? Need a zero rating certificate?
- Delivery date – included anticipated delivery date?
- Attached 3 quotes (purchases £5k - £30k)?
- Foreign payments (non US Dollar / Euro)?
- Is a pro forma invoice exception required?
- Requisition raised correctly for capital expenditure?

Approving a requisition – what to check?

Approver is responsible for and needs to ensure:

- purchase necessary
- purchase appropriate - in best interests of QMUL
- is there an appropriate budget / sufficient funds?
- who has authority to commit spend to this budget?
- requisition raised in line with QMUL Procurement Procedures (quotes etc) and P2P guidelines
- appropriate supplier selected?
- right type of requisition created – Quantity vs Call-off (Value) order?
- Sense check quantity and costs?
- VAT – cost is **net of VAT**; appropriate VAT code? Confirm if VAT Zero rating?
- Is it a foreign payment – right process being followed?
- Capital expenditure – correct coding being used for capital spend?
- Approve or reject the requisition
 - If reject – always provide reason (requisitioner can now amend if required & re-submit)

Goods receipting – goods and services

- ✓ Goods receipt – if **received in satisfactory order** / as per your order requirements
 - **Quantity orders** - goods receipt the **actual quantity (e.g. no. of units)** received
 - **Value (call-off) orders** - goods receipt the **actual value (£'s)** received
 - **Exception – travel – goods receipt when booking made**
- ✓ Can partially receipt goods / service
- ✗ Don't goods receipt - if goods / service not received
- ✓ Dispute with supplier? - let Accounts Payable Team know

Following this process ensures QMUL only pays for goods or services received in line with initial order placed

Goods receipting – goods and services

How can you confirm receipt of goods / service? A few examples below....

Goods / service	Confirmation from supplier - examples
Delivery of microscope / stationery / equipment for student	Delivery note from supplier; student confirms receipt of equipment
No. of taxi journeys during the month	Statement showing breakdown of journeys provided and cost of each one
Membership for access to online data	Emailed confirmation of payment made / receipt of user access details
Delivery of components – partial delivery	Delivery note
Construction of a building – staged completion	Staged completion certificate
Report produced by consultant	Report received
Agency staff costs	Approved timesheet (for temp)

Raising a requisition – which type of purchase order?

Quantity order	Value (call-off) order
<ul style="list-style-type: none">- buying certain quantity of items with unit price? <p>e.g. 10 books @ £12 each</p> <p>e.g. car hire = 1 day @ £25</p> <p>e.g. temp = working for 3 months up to 20 days per month @ £200 per day; invoiced monthly</p>	<ul style="list-style-type: none">- buying something (usually a service)<ul style="list-style-type: none">o cannot necessarily be measured by quantity?o no fixed schedule for when the supplier might be used? <p>e.g. taxi firm, couriers, consultancy etc</p> <p>e.g. Consultancy fees – service provided April – June to the value of £3,000; invoiced monthly</p>

Note: Purchase order type = governed by Product Code selected
e.g. Product code will say “CALL OFF ONLY” if choose code for Value (call-off) order

Tip: What information will you receive to confirm delivery of goods / receipt of service?
Should help to determine type of order you use.

Raising a requisition – using value (call-off) orders

A few tips:

- Good practice – create order valid for current financial year (i.e. until 31 July) not across multiple years but **there are exceptions – a few examples:**
 - building projects can span a number of years
 - depends when contract starts – may cross over financial years e.g. consultancy service provided June – October
 - supplier provides a discount for signing up to maintenance contract > 1 yr
- Are there any agreed rates with the supplier? Quote in narrative on PO
- Order should cover the service over an appropriate period of time or specific piece of work being carried out

If in doubt Procurement Team can advise

3. Hints and tips from Financial Systems Team

Hints and tips on using Agresso for requisitioners / approvers including –

- Activating your substitute approver on Agresso (when you are going to be away from the office)
- Checking the status of a purchase requisition
- Weekly “not GRN’d” alerts and what action you need to take
- Using your weekly open purchase order report
- Useful reports available to you
- Things to remember ???

3. Hints and tips from Financial Systems Team (cont'd) Approvers - activating your substitute on Agresso

Tip: Activate at the same time as your “out of office” message on outlook

Reminder for approvers - how to activate your substitute here:

<http://qm-web.finance.qmul.ac.uk/purchasing/docs/141741.pdf>

This document can be found on the Purchase to Pay intranet pages

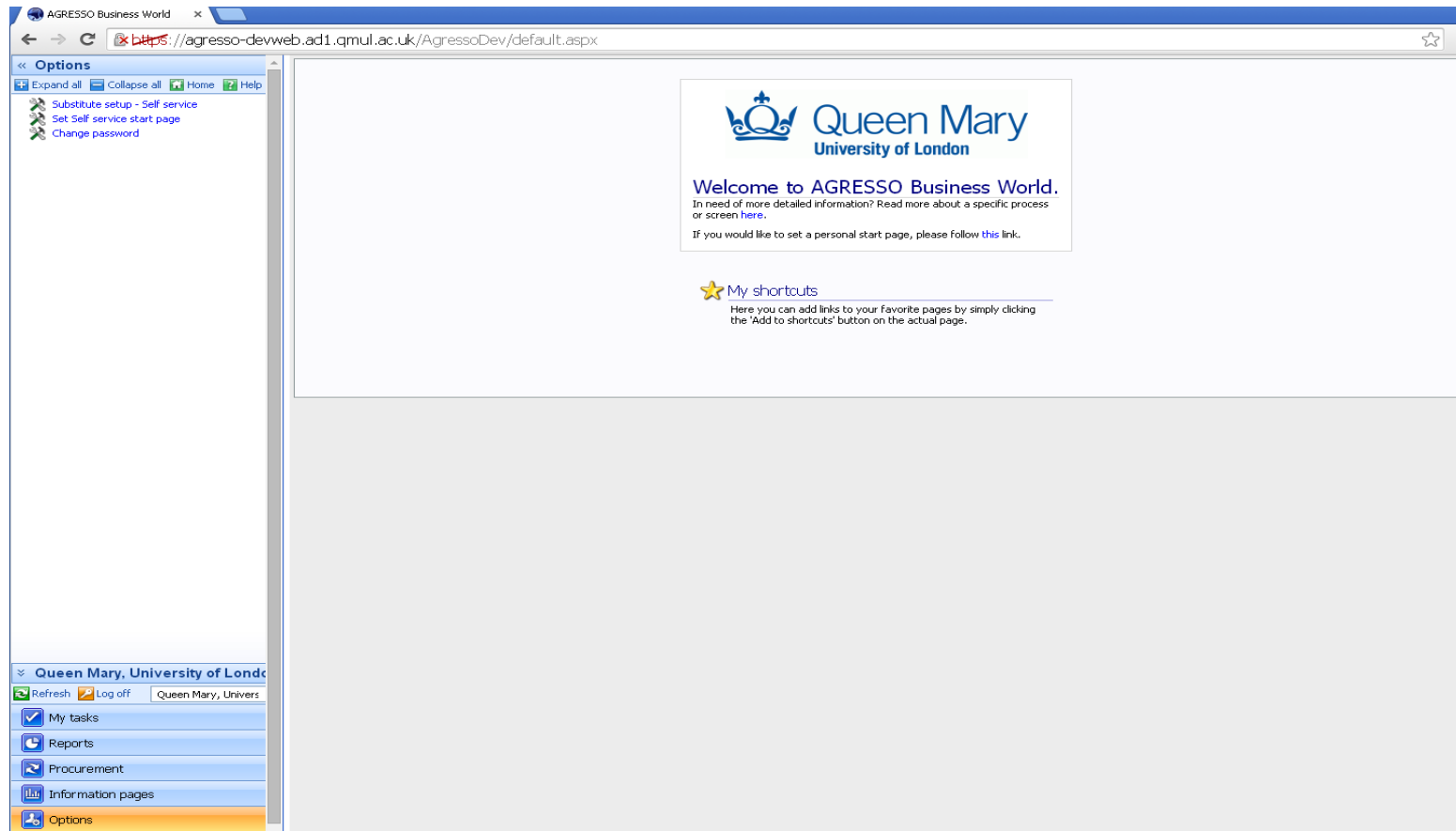
<http://qm-web.finance.qmul.ac.uk/purchasing/purchase2pay/index.html>

This is available for all areas live with the new workflow set up

3. Hints and tips from Financial Systems Team (cont'd)

Approvers - activating your substitute on Agresso

“Substitute setup – Self service” on the Options menu



3. Hints and tips from Financial Systems Team (cont'd) Approvers - activating your substitute on Agresso

In the fields “**Active from date**” and “**Active to date**” enter the “**from and to dates**” to flag when you will be out of the office / won't be available. And **save** the settings.

Find alternate	Substitute	Current	Valid from	Valid until
From list	MRE	MRE	27/06/2014	31/12/2099

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Note: The task will still be sent to the original approver and in addition, it will be sent to the substitute.

After the “Active to date”, the tasks will be sent solely to the original approver again.

3. Hints and tips from Financial Systems Team (cont'd)

Checking status of a requisition

- To check the status of requisition in workflow and the current task owner via screen on Agresso

Procurement, Requisitioning, screen is called
“Workflow Enquiry – requisitions”

3. Hints and tips from Financial Systems Team (cont'd)

Weekly “not goods receipted” alerts

- Alert flags when invoice received by Accounts Payable and Agresso shows the Purchase Order hasn't been goods receipted
- What action should you take?
 - Goods receipt PO if goods / service received in line with order
 - Notify Accounts Payable if problem with order and needs addressing before invoice paid – AP will make a note on system
 - If problem doesn't get resolved / goods not received – ask supplier to send a credit note to Accounts Payable
 - If you goods receipted a while ago and system is not showing this, notify Financial Systems Team to follow up?

Goods receipting – quantity orders on Agresso

- **Full receipt** = select the box on left side of screen
- **Partial receipt** = type in e.g. 1 in “Quantity received” out of 3 ordered

Goods receipt (QM)

Save Clear Documents Add to shortcuts Help

An existing item has been loaded.

Goods received entry

Purchase order
OrderNo: 9200631 External ref:

Order information
Supplier: Knowledge Trains Ltd
Requested by: Kaye Yeung

Purchase order details

<input type="checkbox"/>	Order line	Product	Description	Quantity received	Ordered	Previously delivered	Status
<input type="checkbox"/>	1	3510	Training - Ann	0.00	3.00	0.00	Ordered
<input type="checkbox"/>	2	3510	Training - John	0.00	2.00	0.00	Ordered
<input type="checkbox"/>				0.00	5.00	0.00	

Receive goods

Detailed information
Please select a row in the corresponding table to populate this section

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Goods receipting – value (call-off) orders on Agresso

- **Full receipt** = select box on left side of screen
- **Partial receipt** = type in e.g. £300 in “Quantity received” against £1664.00 ordered

Goods receipt (QM)

Save Clear Documents Add to shortcuts Help

An existing item has been loaded.

Goods received entry

Purchase order

OrderNo: 9200670 External ref:

Order information

Supplier: Reflex Limited
Requested by: Amira Ahmed

Purchase order details

<input type="checkbox"/>	Order line	Product	Description	Quantity received	Orderid	Previously delivered	Status
<input type="checkbox"/>	1	4041C	Audio Equipment & Video Conferencing har...	0.00	1,664.00	0.00	Ordered
<input type="checkbox"/>	2	4041C	Preliminary engineering & Labour costs	0.00	400.00	0.00	Ordered
<input type="checkbox"/>	3	4041C	Engineering & labour costs	0.00	1,424.00	0.00	Ordered
Σ				0.00	3,488.00	0.00	

Receive goods

Detailed information

Please select a row in the corresponding table to populate this section

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3. Hints and tips from Financial Systems Team (cont'd)

Weekly Open Purchase Order Report

- ✓ Report = prompt to review POs which might need goods receipting
 - refer to the anticipated delivery date
 - goods receipt promptly (when appropriate)
- ✓ Close any POs no longer required – request via Financial Systems Team
 - ensure all invoices have been paid before closing any POs
- ✓ Notify Accounts Payable if an order is in dispute with a supplier

Some common goods receipting / PO issues

- receipting **gross** amount on value order including VAT instead of **net**
- **not including a reference in “Ext ref” field – so AP can’t tie up the goods receipt to the invoice received**
- **raising a PO with one line – invoice received in 2 parts (causes problems at AP end – e.g. PO closes when first invoice processed?)**

3. Hints and tips from Financial Systems Team (cont'd)

Useful reports available to you

- What do you need to know / keep track of?

E.g. overview of POs raised for a cost centre

Approvers and requisitioners can access the PO web report as long as they have access to the cost centre(s).

“WEBn/p – Purchase Order Enquiry”

3. Hints and tips from Financial Systems Team (cont'd)

Useful reports available to you



- Purchase order enquiry
- Goods receipt enquiry
- Has an invoice been paid?
- Outstanding purchase orders
- QM Supplier list

If you need any further guidance on running reports in Agresso, please contact the Financial Systems Team via the IT Helpdesk

Email its-helpdesk@qmul.ac.uk or call 13-8888

3. Hints and tips from Financial Systems Team (cont'd)

Things to remember

- Notify Financial Systems Team – starters, leavers, replacements, someone away from the office long term
 - To ensure your workflow is up to date
 - To ensure Agresso tasks go to an appropriate person
 - e.g. replacement for an approver who has moved on
 - e.g. requisitioner moves on – who will monitor their open POs?
- Approvers - set up your substitute approver if going to be away from the office (& include end date)

4. Update from Accounts Payable

- Majority of cases – receive invoice, match to goods receipted PO & process for payment

Approx
1,800

Issues arising:

- Suppliers sending in invoices without PO number / quote finished PO number
 - Time to contact supplier to request valid PO / send reminder about QMUL process / dealing with duplicate invoices
 - Replacement invoice received from supplier with new PO – time to match up old / new invoices
- Goods receipting (GRN)
 - Requisitioners move on – no one re-assigned to oversee their POs (new workflow should help address this)
 - Call-off (value orders) – use description to make it easy for AP to match line receipted to relevant invoice
 - Remember to let AP know if dispute with supplier & can't GRN
- PO closed before invoices are paid – important to raise correct type of PO / please check open PO report

5. HMRC Employed vs Self-Employed Guidance

Majority of cases individuals being engaged to carry out work for QMUL, will be classed as employed and be paid via payroll.

- Guidance produced to:
 - ❖ address exceptional “grey areas”
 - ❖ help determine employment status which can be relied upon in the event of HMRC audit
- Guidance available on the HR intranet
<http://www.hr.qmul.ac.uk/procedures/contracts/employmentstatus/index.html>
- Launched Nov 2014 via
 - ❖ e-bulletin (5/11/14) / Professional Services bulletin
 - ❖ emails to Heads of Schools / Institutes / Departments, Faculty & Executive Officers (10/11/14)
 - ❖ Briefings – to be arranged across HSS,SE, SMD, PS

6. Training, guidance & useful links

Training	Contact	Further materials
1. Buyer Training	Procurement Team Chris Hallahan (c.hallahan@qmul.ac.uk)	Procurement Procedures and Guidance http://qmul.ac.uk/web/finance.qmul.ac.uk/purchasing/index.html
2. Purchase to Pay Process	Procurement Team Chris Hallahan (c.hallahan@qmul.ac.uk)	Purchase to Pay Process Guidance & Training Materials http://qmul.ac.uk/web/finance.qmul.ac.uk/purchasing/purchase2pay/index.html
3. Agresso System User Training	Financial Systems Team IT Helpdesk email its-helpdesk@qmul.ac.uk or Tel. 13 – 8888	Agresso User Guides http://qmul.ac.uk/web/finance.qmul.ac.uk/agresso/training/index.html
4. Capital Policy & Expenditure Process	Financial Management Team Andrew Corti (a.corti@qmul.ac.uk)	Capital Policy and Expenditure Process Guidance http://qmul.ac.uk/web/finance.qmul.ac.uk/financialmanagement/Capital/index.html

Purchase to Pay process – guidance

Available on the intranet

<http://qm-web.finance.qmul.ac.uk/purchasing/purchase2pay/index.html>

- ✓ Purchase to Pay process guidance (slides)
- ✓ Recorded training session
- ✓ Frequently asked questions
- ✓ Hints and tips

Purchase to Pay User Forum – face to face, emails, bulletins etc

<http://qm-web.finance.qmul.ac.uk/p2puserforum/index.html>

Useful links – Policies and guidance (1)

- **Financial Regulations**
- **Scheme of Delegation of Financial Authority**

Can be found on the Policy Zone here

http://www.arcs.qmul.ac.uk/policy_zone/index.html

Useful links – Policies and guidance (2)

- **Procurement Procedures**

<http://qm-web.finance.qmul.ac.uk/purchasing/index.html>

- **How to buy(list of suppliers)**

<http://qm-web.finance.qmul.ac.uk/purchasing/buy/index.html>

- **QMUL Terms & Conditions**

<http://www.weightmans.com/conditions-of-contract/>

- **Purchase to Pay process guidance, hints and tips**

<http://qm-web.finance.qmul.ac.uk/purchasing/purchase2pay/index.html>

Useful links – key contacts (1)

- **Procurement Team**

Procurement and purchase to pay process related queries and advice

<http://qm-web.finance.qmul.ac.uk/purchasing/team/index.html>

- **Accounts Payable Team**

Queries related to invoice payment

Email: accountspayable@qmul.ac.uk or Tel. 0207 882 7736

<http://qm-web.finance.qmul.ac.uk/financeforms/index.html> (To access up to date forms)

- **Financial Systems Team**

Agresso User Guidance <http://qm-web.finance.qmul.ac.uk/agresso/training/index.html>

Agresso related queries including training, requests to close POs, changes to user access

Via IT Helpdesk its-helpdesk@qmul.ac.uk or Tel. 13-8888

Useful links – key contacts (2)

- **Financial Accounting Team**

Queries related to VAT & guidance

<http://qm-web.finance.qmul.ac.uk/financialaccounting/>

Sandra Brown (Tel. 0207 882 3893) or Phillipa Scott (Tel. 0207 882 3894)

- **Financial Management Team**

Queries related to budgetary control, monthly management accounts, monitoring capital projects

<http://qm-web.finance.qmul.ac.uk/financialmanagement/contact/index.html>

- **Joint Research Management Office**

Queries related to research grants

<http://www.qmul.ac.uk/jrmo/>

Any questions?