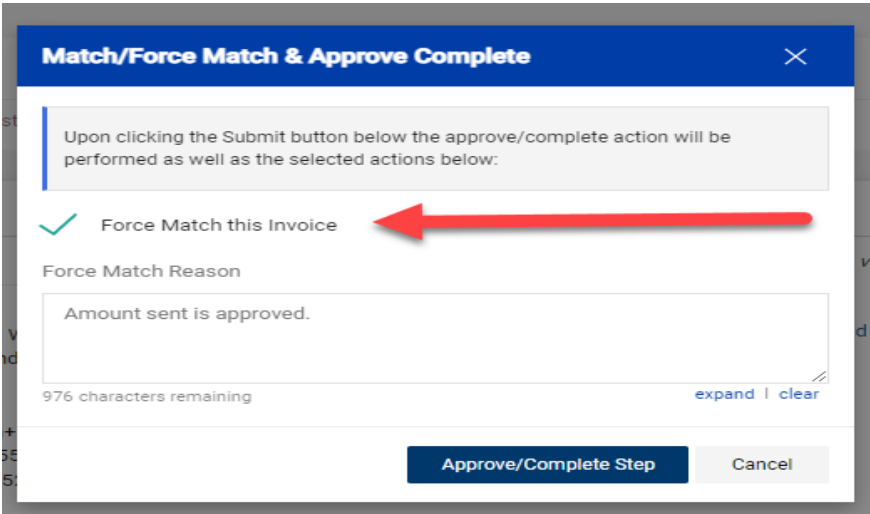


Indiana University Office of Procurement Services

STANDARD OPERATING PROCEDURE

SOP NO:	SOP-PURCH-20
SUBJECT:	Using Force Matching on BUY.IU Invoices
SOURCE:	University Procurement Services
ORIGINAL DATE OF ISSUE:	12/09/2019
DATE OF LAST REVISION:	02/03/2022
Disclaimer:	The information provided in this Standard Operating Procedure (SOP) is designed to provide helpful information on this procedure. Purchasing reserves the right to determine on a case by case basis if a SOP should be adjusted for a particular situation. This SOP is not intended to cover each and every situation nor can it anticipate specific circumstances.
RATIONALE:	To provide best practices when approving invoices which have routed to the Matching Exceptions workflow stop. The procedures outlined below apply to invoices entered correctly into BUY.IU. If the supplier invoice is correct but was entered incorrectly, contact Accounts Payable for assistance. Log a comment on the invoice and add the user "iuaphelp" as an email recipient to request action.
PROCEDURES:	<p>A "Force Match" may be used when approving mis-matched invoices, those which have routed to the Matching Exceptions workflow stop. A Force Match is appropriate <u>only</u> if the order is complete and can be closed.</p> <p>The Force Match option is available once an approver assigns the invoice to themselves and selects Approve & Match from the Document Actions menu. A window opens which contains the Force Match this Invoice option-</p>  <p>Leave the box checked if Force Match is appropriate. Uncheck the box if Force Match is not appropriate.</p>

Below are guidelines on when use of Force Match is appropriate:

Situation 1: The invoice line item cost or unit price exceeds the purchase order (PO) line item cost or unit price on a quantity purchase order.

Example: Department orders 5 widgets at an estimated price of \$10 each; PO total equals \$50. Supplier invoices department for 5 widgets at \$15 each; invoice total equals \$75. A Force Match is appropriate if the estimated cost was incorrect and the invoice cost is acceptable.

Situation 2: The quantity invoiced exceeds the PO quantity and extra items will be kept.

Example: Department orders 4 widgets but receives 5. Department keeps extra widget and does not intend to receive additional items. A Force Match is appropriate if no additional quantities are expected and the additional items billed are kept.

Note: If the PO involves capital assets DO NOT approve the invoice. Instead, hold the invoice and initiate a change request. Once the change request has completed routing and the PO is updated to reflect the correct quantity the invoice may be approved if necessary.

Situation 3: The line item total of invoices paid exceeds the PO total on a recurring purchase order, and the recurring order **is no longer needed**.

Example: Department establishes a recurring order at beginning of fiscal year with value of \$5,000. Supplier invoices department monthly. At end of fiscal year, the last invoice received pushes the sum value of invoices to \$6,000. A Force Match is appropriate if no future invoices are expected and the recurring order will no longer be used.

Below are guidelines on when use of Force Match is inappropriate and should not be used:

Situation 1: The line item total of invoices paid exceeds the PO total on a recurring purchase order, and the recurring order **will** continue to be utilized.

*Example: Department establishes a recurring order at beginning of fiscal year with value of \$5,000. Supplier invoices department monthly. By month two, the sum value of invoices against the PO totals \$7,000. Initiate a change request to add additional funds to the PO for future use. **Uncheck** the Force Match option when approving the invoice for payment.*

Leaving the Force Match box checked when approving results in closure of the PO and delayed future invoice payments.

Situation 2: A purchase order requires a receipt document yet it exceeds receiving lead time.

Example: Department establishes a quantity order, total \$6,000. Supplier submits invoice for value of the order. PO owner is notified to log a receipt document confirming items were received. A receipt document is not logged within the receiving lead time period.

The invoice routes forward to Matching Exceptions. The fiscal reviewer notifies the appropriate individual, possibly the PO owner, to log a receipt. Receipt is logged which satisfies the invoice.

*Assuming no additional mis-matches require review, the invoice will route forward once the appropriate receipt is logged. **If additional mis-matches require review, refer to the situations outlined above for guidance.***

Situation 3: An invoice unit price exceeds the PO unit price on a quantity purchase order, however, the supplier invoice image states the correct unit price.

	<p><i>Example: Department orders 5 widgets at a price of \$5,000 each; supplier submits an invoice to Digital Mailroom (DMR) which states 5 widgets at \$5,000 each. DMR enters the invoice in BUY.IU as a quantity of 1 for a total of \$25,000.</i></p> <p><i>The invoice routes forward to Matching Exceptions. The invoice SHOULD NOT be approved. Instead, the fiscal reviewer logs a comment on the BUY.IU invoice and includes the user “iuaphelp” to request the data entry error be corrected.</i></p> <p><i>Assuming no additional mis-matches require review, the invoice will route forward once the data entry error is corrected. If additional mis-matches require review, refer to the situations outlined above for guidance.</i></p> <p><i>If the error cannot be corrected, AP staff will instruct the department to cancel the invoice so it may be reprocessed.</i></p> <p>Situation 4: An invoice containing non-PO line items is processed against a PO used to purchase capital assets.</p> <p><i>Example: PO line 1 contains a capital asset purchase. Supplier submits invoice for capital asset to DMR for processing. DMR processes invoice line as a non-PO line item meaning it is not associated with the PO correctly.</i></p> <p><i>The invoice routes forward to Matching Exceptions. Invoice SHOULD NOT be approved. Assuming supplier invoice is correct, fiscal reviewer logs a comment on the BUY.IU invoice and includes the user “iuaphelp” to request data entry error be corrected.</i></p> <p><i>Assuming no additional mis-matches require review, invoice will route forward once the data entry error is corrected. If additional mis-matches require review, refer to the situations outlined above for guidance.</i></p> <p><i>If the error cannot be corrected, AP staff will instruct the department to cancel the invoice so it may be reprocessed.</i></p>
<p>DEFINITIONS:</p>	<p>Capital asset – An item that has a useful life expectancy of one year or greater and an acquisition value that meets or exceeds the capitalization threshold outlined in CSOP 1.0 – Capitalization Rules. In BUY.IU, capital assets are purchased using object code 7000.</p> <p>Digital Mailroom (DMR) – A third-party invoice review partner which receives and reviews supplier invoices. Supplier invoices are then uploaded into BUY.IU which results in the generation of a BUY.IU invoice.</p> <p>Extended price – The total value of a line item. Calculated by multiplying the quantity ordered by the unit price.</p> <p>Mis-matched invoice – An invoice which meets one or more of the criteria below:</p> <ul style="list-style-type: none"> • The invoice extended price exceeds the PO line item total on a quantity purchase order; • The invoice unit price exceeds the PO unit price on a quantity purchase order; • The invoice quantity exceeds the PO quantity on a quantity purchase order; • The invoiced line item total paid exceeds the PO total on recurring purchase orders; • Purchase order requires receipt and receipt was not created within receiving lead time period. <ul style="list-style-type: none"> ○ Note: “Exceeds” refers to the threshold tolerances built into BUY.IU (10% or \$250.00, whichever is less).

	<p>Non-PO line – An invoice line that is not associated with a PO line. These invoice lines are excluded from matching rules in BUY.IU and funded by header-level accounting information.</p> <p>Quantity purchase order – A purchase order which contains an itemized list of items for purchase and does not contain information in the Recurring Payments section.</p> <p>Receiving lead time – The period of time during which an invoice is held awaiting a receipt document be logged on the PO. The invoice is held in this state until 10 days before the Invoice Due Date. If a receipt is not logged within this timeframe, the invoice routes to the Matching Exceptions workflow stop for fiscal review.</p> <p>Recurring purchase order – A purchase order used over a period of time. Established by completing the Recurring Payments section of the requisition document.</p> <p>Unit price – The cost of one item or measurement.</p>
<p>CROSS REFERENCE:</p>	<p>Comments in BUY.IU – written documentation CSOP 1.0 – Capitalization Thresholds Invoice Approval Flowcharts</p>