UTM FIS Workshop Series

Day 5
Logistics Part 2 – Goods Receipts & Invoice Receipts

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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
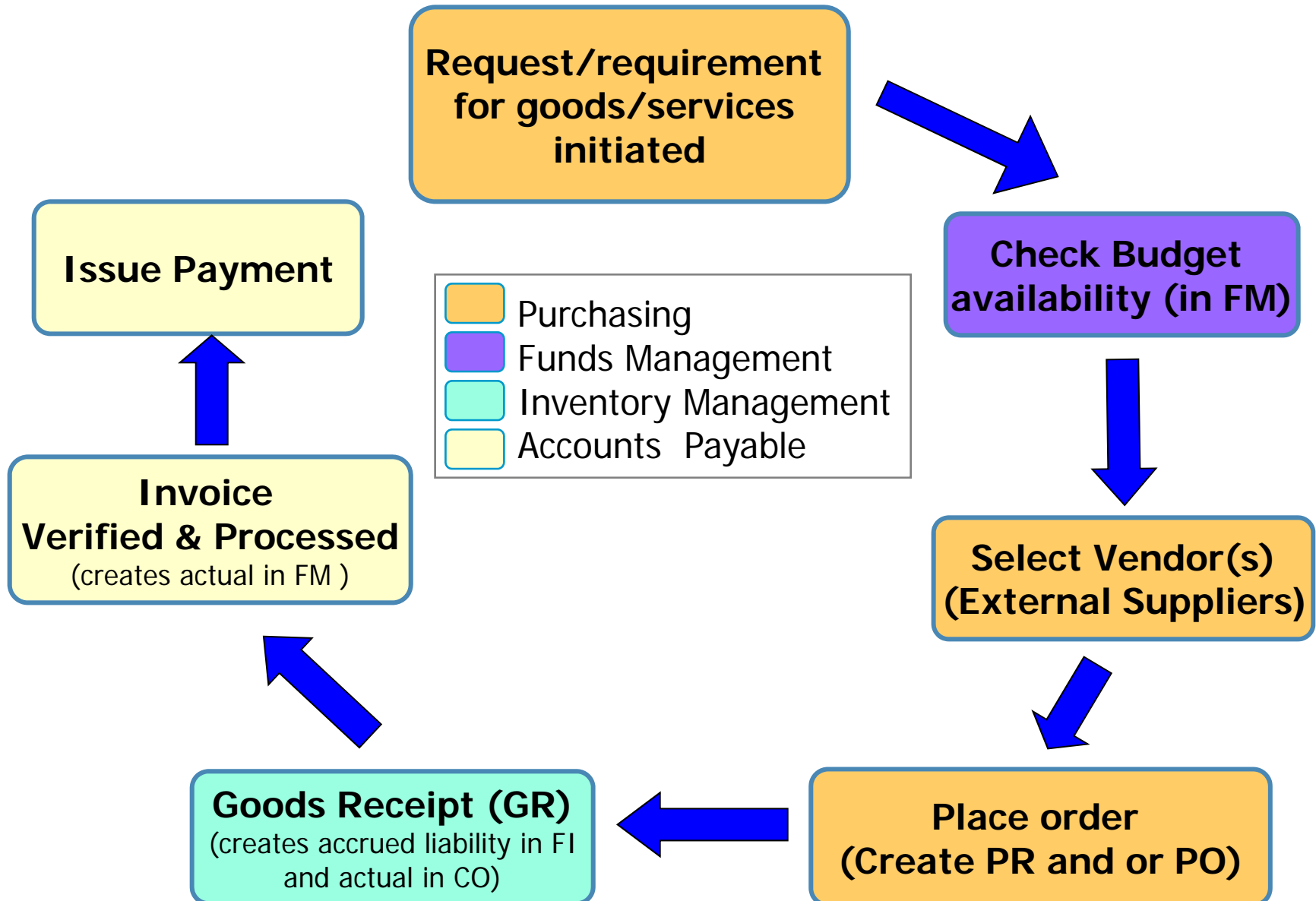
Day 5 - Workshop Map

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

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Request/requirement for goods/services initiated

Check Budget availability (in FM)

Issue Payment

Legend:
- Purchasing
- Funds Management
- Inventory Management
- Accounts Payable

Invoice Verified & Processed
(creates actual in FM)

Select Vendor(s) (External Suppliers)

Goods Receipt (GR)
(creates accrued liability in FI and actual in CO)

Place order (Create PR and or PO)

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
- http://finance.utoronto.ca/policies/gtfm/purchasing-and-payments-to-vendors/purchase-order-invoices/#receiving

GR as an FIS Transaction
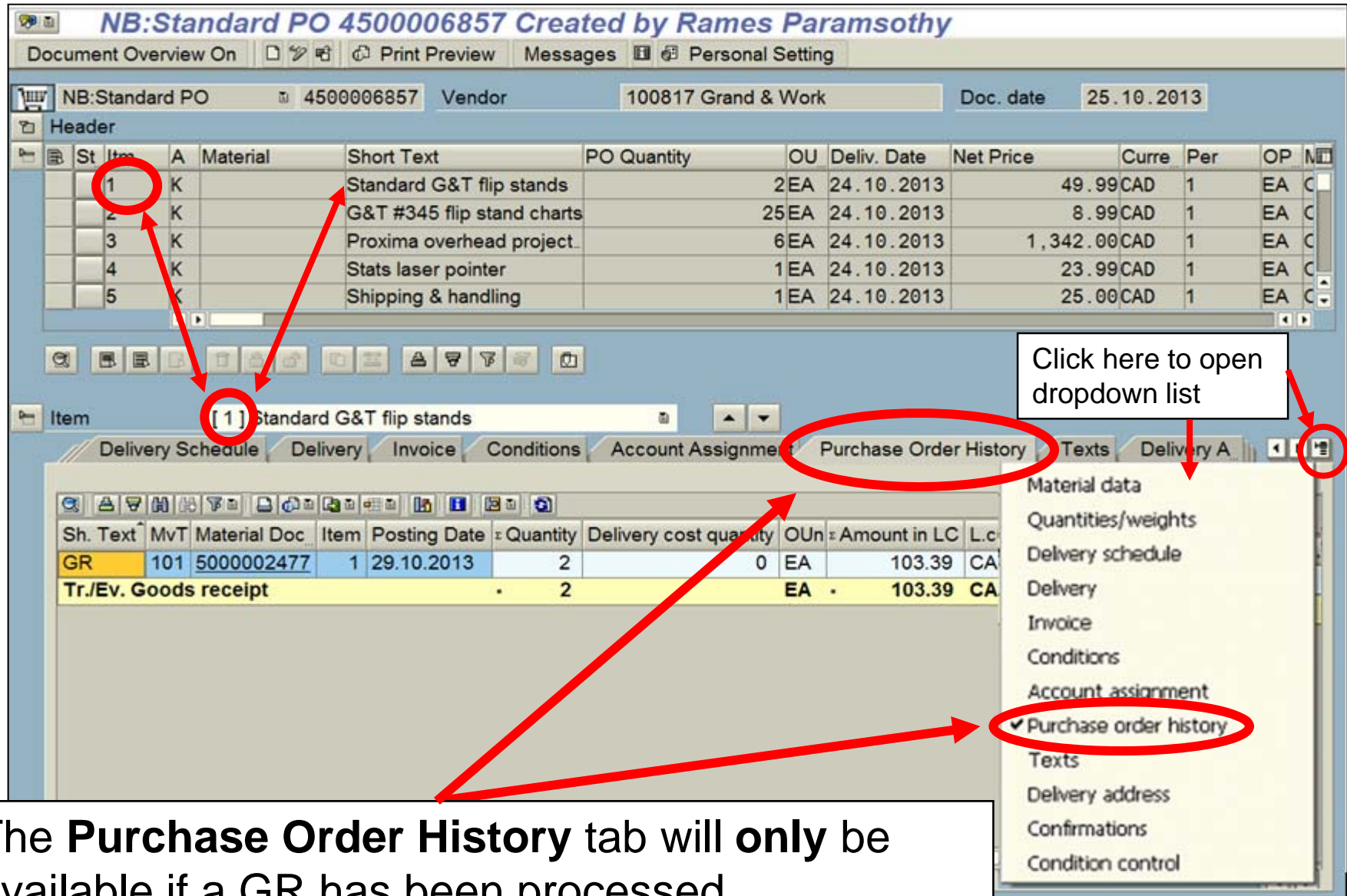
The GR document:

- 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:
    - an **accrued liability** in **Financial Accounting**
    - 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
- http://finance.utoronto.ca/wp-content/uploads/2015/09/grcreatereverse1.pdf

GR - Purchase Order History Tab

Click here to open dropdown list

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.

GTFM Policy: Returning Goods to Suppliers
- http://finance.utoronto.ca/policies/gtfm/purchasing-and-payments-to-vendors/purchase-order-invoices/#returning

QRG: Goods Receipt Create or Reverse
- http://finance.utoronto.ca/wp-content/uploads/2015/09/grcreatereverse1.pdf

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

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
- http://finance.utoronto.ca/wp-content/uploads/2015/11/Create-Invoice-or-Credit-Memo-purchase-order-related-Converted.pdf

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
- http://finance.utoronto.ca/wp-content/uploads/2015/11/Create-Invoice-or-Credit-Memo-purchase-order-related-Converted.pdf

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
  - http://finance.utoronto.ca/faqs/cheque-production/

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)
- http://finance.utoronto.ca/wp-content/uploads/2015/11/Cancel-Invoice-Receipt-Converted.pdf

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.
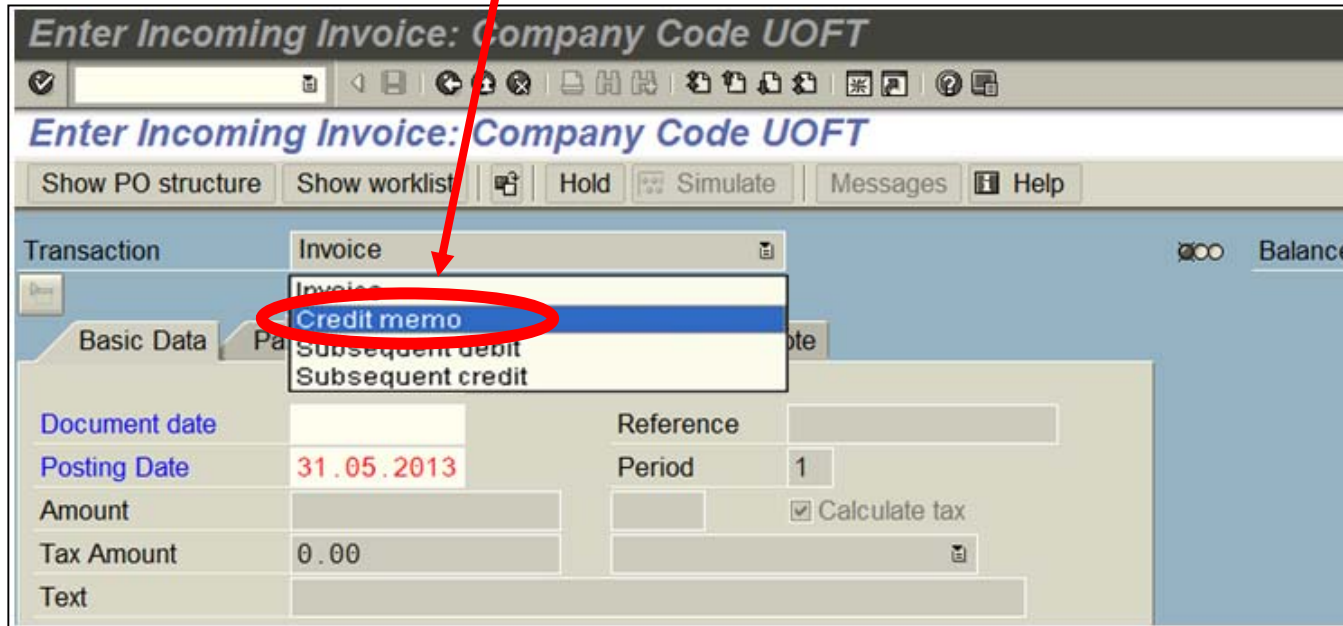
   Include the following in your email:

   - your **Contact information**

   - **Cheque number**

   - **Document numbers** (each IR is issued two document numbers)

     o Logistics IR document number : 52xxxxxxxx

     o 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**" :

QRG: Create Invoice or Credit Memo (PO related)
- http://finance.utoronto.ca/wp-content/uploads/2015/11/Create-Invoice-or-Credit-Memo-purchase-order-related-Converted.pdf

IR – The Purchase Order History tab

P.O. History tab after GR *and* IR have been processed

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
- http://finance.utoronto.ca/faqs/purchase-order-goods-receipt-invoice-receipt/

QRG: Purchase Order Finalize or Cancel
- http://finance.utoronto.ca/wp-content/uploads/2015/09/pofinalizecancl.pdf

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

WEB Documentation

Guide to Financial Management (GTFM):

- Receiving Report: http://finance.utoronto.ca/policies/gtfm/purchasing-and-payments-to-vendors/purchase-order-invoices/#receiving

- Returning Goods to Suppliers: http://finance.utoronto.ca/policies/gtfm/purchasing-and-payments-to-vendors/purchase-order-invoices/#returning

- Purchase Order Invoice or Invoice Receipt: http://finance.utoronto.ca/policies/gtfm/purchasing-and-payments-to-vendors/purchase-order-invoices/

Quick Reference Guides (QRGs):

- Goods Receipt Create or Reverse: http://finance.utoronto.ca/wp-content/uploads/2015/09/grcreatereverse1.pdf

- Create Invoice (PO related) for an Invoice Receipt: http://finance.utoronto.ca/wp-content/uploads/2015/11/Create-Invoice-or-Credit-Memo-purchase-order-related-Converted.pdf

- Cancel Invoice Receipt: http://finance.utoronto.ca/wp-content/uploads/2015/11/Cancel-Invoice-Receipt-Converted.pdf

- Purchase Order Finalize or Cancel: http://finance.utoronto.ca/wp-content/uploads/2015/09/pofinalizecancl.pdf

Frequently Asked Questions (FAQs):

- Purchase Orders – Goods Receipt – Invoice Receipts: http://finance.utoronto.ca/faqs/purchase-order-goods-receipt-invoice-receipt/

- Verifying Whether a Cheque has been Produced/Cashed: 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

Primary Rep	**Nusrath Mohiuddin**	**978-4042**
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Workshop Evaluation:
http://finance.utoronto.ca/fast/fis-training/course-evaluation-fis-training/

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