FINANCIAL INFORMATION SYSTEM

FIS Standard Curriculum

UTSC Logistics Training

UNIVERSITY OF TORONTO

Course Objectives

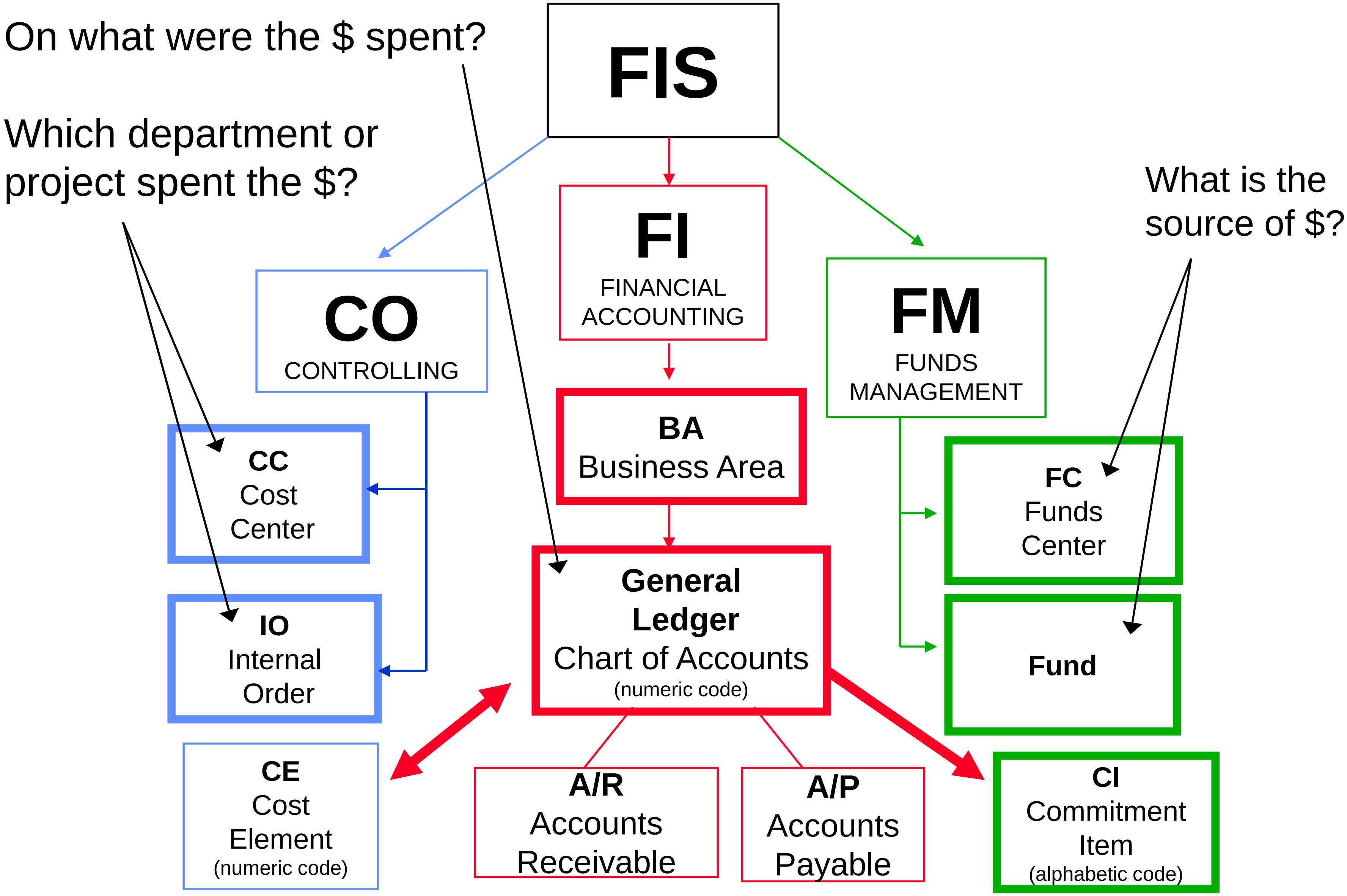
Morning:

- Understand the university's Purchasing Cycle
- Determine **when** to create a Purchase Requisition, or Purchase Order
- Process Purchase Orders
- Modify or Cancel a Purchase Order

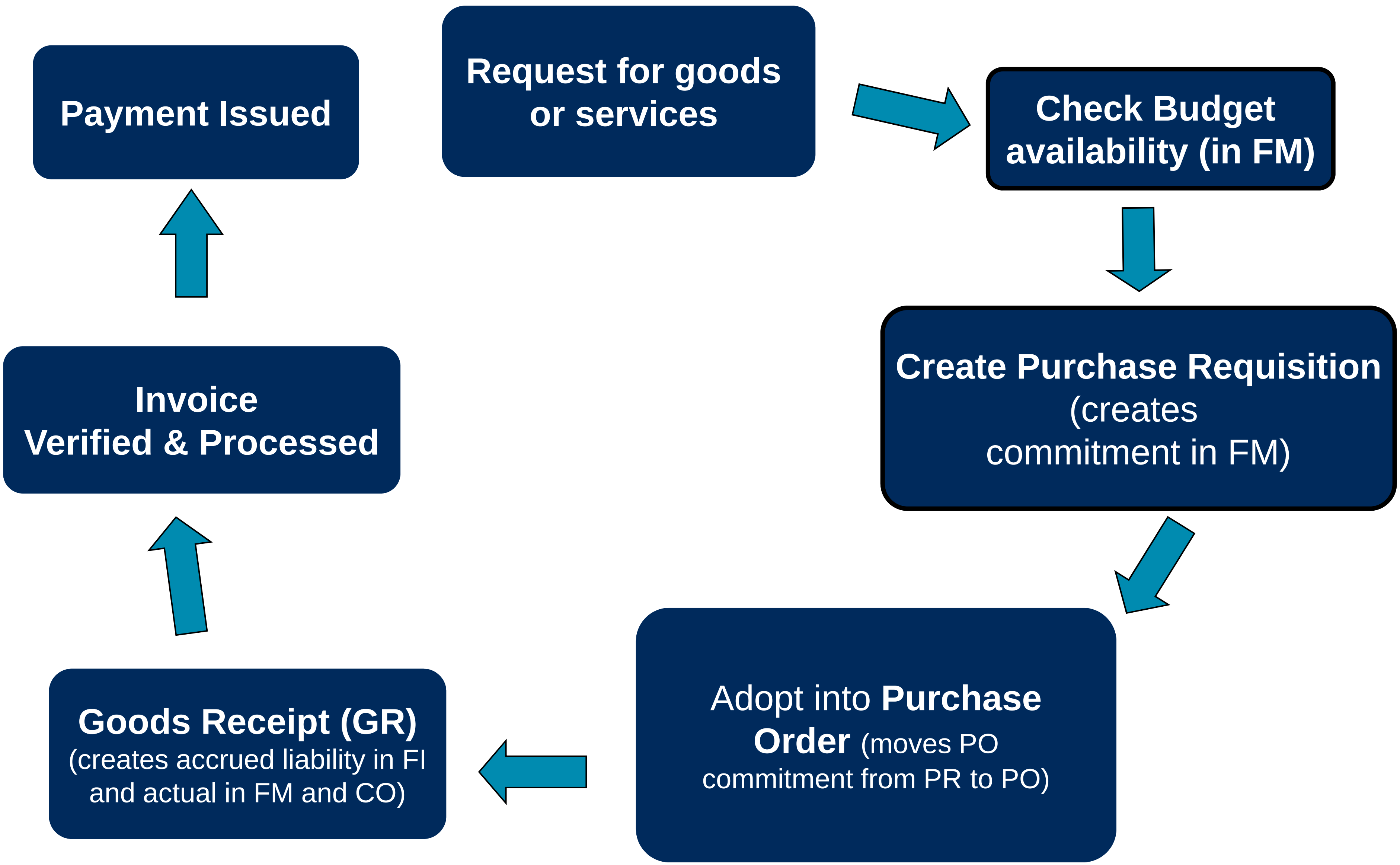
Afternoon:

- 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

Overview of FIS



Overview of Purchasing Cycle (UTSC)



Transaction Levels and Authority

COMPETITIVE PROCUREMENT
(Purchasing Goods or Non-Consulting Services)

THRESHOLDS	PURCHASE ORDER	DOCUMENTATION	ACCOUNTABILITY
$100,000 +	YES	COMPETITIVE BID PROCESS (e.g., RFP, RFSQ, RFQ)	PROCUREMENT SERVICES
$50,000 - $99,999	YES	3 WRITTEN QUOTES (Invitational)	YOUR DEPARTMENT
$10,000- $49,999	YES	2 VERBAL or WRITTEN QUOTES (Informal)	YOUR DEPARTMENT
$0 - $9,999	OPTIONAL (Dept. Issued PO)	OPTIONAL	YOUR DEPARTMENT

NOTE:
- Restricted items such as radioisotopes require a P.R & P.O. regardless of the value;
- Consider shipping charges from out of town vendors

Procurement Services:
- http://www.procurement.utoronto.ca/

Part 1 – Purchase Requisitions and Purchase Orders

Purchase Requisitions

Purchase Orders & Requisitions: What are They?

Purchase Requisition (PR)

- A request for approval to proceed with an order for goods and/or services.
- **AT UTSC,** required when:
  - (for some units) orders over $10,000 (before tax)
  - All **radioactive materials** across all campuses
  - All leases

Purchase Order (PO)

- A contract between a customer and a vendor regarding the purchase of goods and/or services with terms and conditions of the purchase.

Financial Impact of PO's and PR's

As an FIS transaction:

The Purchase Requisition document creates a commitment in an Funds Center or FC/Fund combination.

Note: All Purchase Requisitions & Purchase Orders are required to be created with a vendor that is setup in AMS. If a department decides to order from a vendor that is NOT in AMS, complete the "New Supplier Account Request" form and forward to purchasing.help@utoronto.ca for account creation.

QRGs: Purchase Requisitions

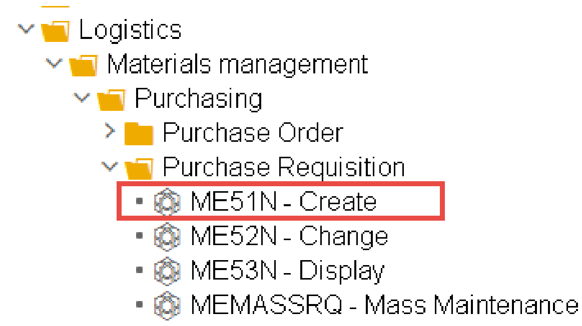
- http://finance.utoronto.ca/fast/support-documentation/logistics/purchase-requisition/

Document Type and Numbers

Name	**Type**	**Numbering System**
Purchase Requisition	NB	1XXXXXXX (8 digit)
Standard	NB	45XXXXXXXX
Leases	LS	47XXXXXXXX
Electronic Purchasing (e.g., uSOURCE)	EC	37XXXXXXXX

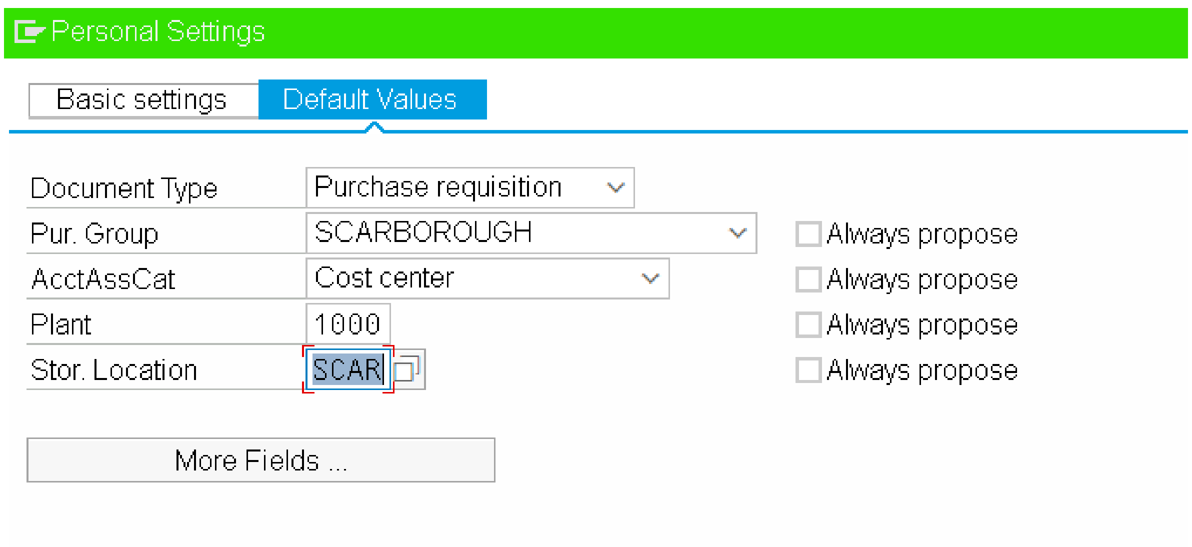
Purchase Requisitions: Setting up your Personal Settings

Setting up personal settings for Purchase Requisitions and Purchase Orders enables you to save time by reducing keystrokes, and ensure consistency in processing.



For Purchase Requisitions:

1. Go to **ME51N** in the SAP Menu
2. Click the Personal Setting checkbox
3. For UTSC, set Personal Settings to match:



Reference Guide: PR Personal Settings

- https://finance.utoronto.ca/wp-content/uploads/2015/11/Personal-Settings-Requisition-Converted.pdf

Exercise 1 – Create a Purchase Requisition

Purchase Requisitions: Business Process

1. **For orders from $10,000 to $49,999:** request a minimum of 2 written or verbal quotes from vendors **OR**
2. **For orders $50,000 or greater:** Request **minimum of 3 written quotes** from qualified vendors. Purchases greater than $100,000 require an Request for Proposal (RFP).
   – for more information contact Procurement Services
3. Select appropriate vendor
4. Create the PR in FIS
5. Scan and email supporting documents (noting PR document #) to UTSC Procurement Services **
   – Process varies depending on department
   – If not approved, Procurement Services will contact department

6. **Procurement Services creates POs** for approved PRs. The new PO will automatically print at the departmental FIS printer
   – It is the **department's responsibility to forward the PO to the vendor**

** UTSC and UTM should forward documentation to their Procurement Office.

Procurement Reference: Purchasing Goods or Non-Consulting Services
- http://www.procurement.utoronto.ca/programs-and-services/purchasing-goods-services

Purchase Requisitions: Leases

For Leases:

1. The department creates the PR
2. Department submits PR to Procurement Services for processing with the following information:
   a. The **equipment (asset)**
   b. The **vendor name**, **contact information** and **quotation with terms and conditions of sale**

   c. The term of the lease (usually 18-60 months)
      - Ensure **each fiscal year has its own line on the PR.** The number of payments **PER FISCAL YEAR** is indicated in the PO Quantity field (e.g., 4 quarterly payments, 12 monthly payments).

   d. Down payment amount (if required)
   e. Choose the preferred **end of lease options**
      - return asset
      - extend lease
      - purchase asset for fair market value or residual value

3. **Procurement Services creates a lease PO** for the approved PR. **It is the department's responsibility to forward the PO to the vendor**.

Procurement Guidelines: Leasing
- http://www.procurement.utoronto.ca/programs-and-services/leasing

Purchase Requisitions: Leases (cont'd)

Set up Lease Requisition/PO for the **LIFE of the Lease** to facilitate future payments.

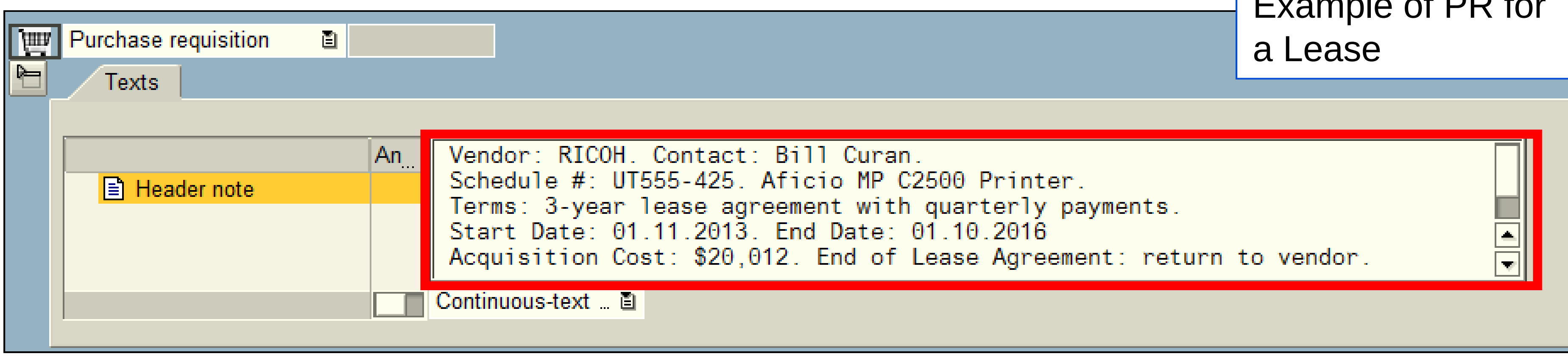
In Header :

Header Note – Includes important information for Procurement Services

Information to Include in Header Note:

- Vendor
- Contact
- Schedule/Agreement #
- Terms
- Start and End Date
- End of lease agreement
- Acquisition Cost

Example of PR for a Lease



Purchase Requisitions: Leases (cont'd)

In Item Overview:

Short Text – Description of lease item, Lease Schedule/Agreement #, fiscal year of payment, payment frequency (e.g., quarterly, monthly)

PO Quantity – Payments per **Fiscal Year**

Unit - Enter "**EA**" to indicate EACH

Delivery Date – Day/Month and Year of annual lease start date

Sta..	Item	A	Material	Short Text	Quantity	Unit	Delivery Date	Material Group	Plant	Stor. Location	PGr	Requested By	Tracking	Desired Vendor
	1	K		Aficio MP C2500 Printer UT555-425 FY2014	2	EA	01.11.2013	Computer-Har...	U OF T, ST...	ACCT.PAY. ...	000			104333
	2	K		Aficio MP C2500 Printer UT555-425 FY2015	4	EA	01.11.2014	Computer-Har...	U OF T, ST...	ACCT.PAY. ...	000			104333
	3	K		Aficio MP C2500 Printer UT555-425 FY2016	4	EA	01.11.2015	Computer-Har...	U OF T, ST...	ACCT.PAY. ...	000			104333
	4	K		Aficio MP C2500 Printer UT555-425 FY2017	2	EA	01.11.2016	Computer-Har...	U OF T, ST...	ACCT.PAY. ...	000			104333
		K							U OF T, ST...	ACCT.PAY. ...	000			

Purchase Requisitions: Leases (cont'd)

In Item Details (for each line):

Valuation Price – Enter individual payment **amount** in the section under the tab.

Splitting Current & Future FY Amounts

For all future year payments, **enter $1.00** as a placeholder **in the Valuation Price** field to prevent commitment of the current FY budget.

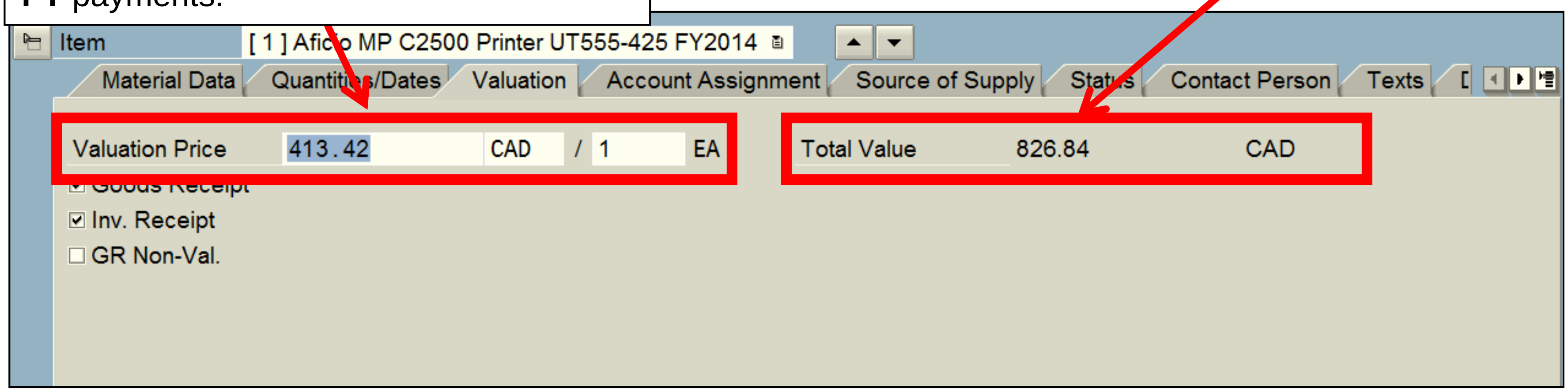
At the beginning of each fiscal year, contact **Procurement Services** to update the net price of the Lease Order for upcoming fiscal year.

Enter value of an individual payment

(e.g., for quarterly payments of $413.42 each, **enter $413.42 in Valuation Price** field)

REMEMBER: Enter **$1.00 for all future FY** payments.

Total value = **Valuation Price**
X
Quantity
(payments per fiscal year)



Purchase Requisitions: Business Process (cont'd)

For Purchases of Radioactive Material:

1. Department creates PR
2. PR is submitted through FIS to Radiation Protection Authority department (UTRPA) who is licensed under the Atomic Energy Control Board for approval.

   Select "**RADIATION**" in the **Material Group** field

   - This will flag the PR for inclusion in UTRPA's approval process

   The following information is required in the "Item text" of the PR "Texts" tab:

   - Permit Holder Name
   - Radioisotope
   - Chemical Form
   - Activity per unit stock vial (mCi, uCi or MBq)
   - Number of stock vials ordered
   - Vendor Name
   - Requisition Date
   - Expected Date of Delivery
   - Delivery Location (Building and room number)
   - Requisitioner's Name

3. Upon approval by the UTRPA (usually within 24 hours), the **department creates P.O.**

Procurement Guidelines: Purchasing of Restricted Substances

- http://www.procurement.utoronto.ca/programs-and-services/purchasing-restricted-substances

Purchase Orders

Purchase Order

When is a PO required?

For all purchases $5,000 or greater (before taxes), unless a **written agreement** is in place.

As an FIS transaction:

- POs are a confirmation that a PR has been approved for items **greater than or equal to $25,000, and all Lease contracts and radioactive material**
- POs are created for all purchases greater than $5,000 but less than $25,000
- PO document creates a **commitment** in a FC or FC/Fund combination

QRG: Creating a PO

- http://finance.utoronto.ca/wp-content/uploads/2015/11/Purchase-Order-Create-Converted.pdf

Purchasing Policy: Written Agreements (under Purchasing Authority and Process)

- http://finance.utoronto.ca/policies/gtfm/purchasing-and-payments-to-vendors/payments-associated-with-contractual-agreements/

Purchase Orders: Business Process (PR not required)

1. Determine goods/services to purchase
2. Request a minimum of two quotations (i.e., if between $5,000 and $25,000) and select a vendor
3. Determine Vendor Number and other FIS accounts codes
4. Process the transaction in FIS
5. Note the system generated document number on the supporting documentation

Making Adjustments to P.O.s

For POs **under $25,000** where a **PR* was not created** the following changes are possible:

- Add new line item(s)
- If Goods Receipt (GR) document does NOT exist on any line items you can:
  - cancel PO or individual line items (e.g., if vendor is incorrect or order of goods and/or services is no longer required)
  - make changes to PO details (e.g., item quantity, dollar amounts, FIS accounts)

*** Making Adjustments to PO when a PR is created:**

- Changes to a PO created from a PR greater than $25,000 or a lease, contact **Procurement Services**
- Changes to PRs or POs for radioactive material purchases are performed by department. Once changes are made, notify a Radiation Safety Officer.
  - **Contact Information:** http://www.ehs.utoronto.ca/contact.htm

Making Adjustments to P.O.s (cont'd)

To change specific line item details such as quantity, net price and account codes:

a) Goods Receipt (GR) exists, but Invoice Receipt (IR) does not :

- Reverse the GR
- Change the PO line item

b) GR & IR exists for an item on a line that has multiple quantities:

- Finalize/cancel the remaining items on that line
- Create a new line on the current PO

Note: When a PO line item is finalized/cancelled, the funds committed is released into the Fund Centers or FC/Funds' free balance.

QRG: Finalize/Cancel a PO

- http://finance.utoronto.ca/wp-content/uploads/2015/09/pofinalizecancl.pdf

Purchase Orders – Standard Vendor Copy

Vendor Master Record – Contact Details

Account Assignment tab:
- Unloading Point
- Recipient

Purchasing Group:
- Reflects departmental address

Additional Data tab (Header)**:**

Quote # & **Quotation Date**

UNIVERSITY OF TORONTO

Purchase Order

Supplier: Dell Canada Inc.
P.O. Box 8440 STN A
Toronto ON M5W 3P1

Purchase Order #: 4500144264

Order Date:	26.08.2015
Delivery Date:	26.08.2015
Buyer:	
Phone #:	416 946-7617
Purchasing Group:	GRAD.&LIFE SCI.ED.

Ship To: paramram
University of Toronto
Accounts Payable,
256 McCaul St., room 103
Office of the Comptroller
215 Huron Street
Toronto ON M5S 1A1

Invoice To: University of Toronto
Graduate & Life Sciences Education
Faculty of Medicine
1 King's College C
Toronto ON M5S 1A8

Payment Terms	Freight Terms	HST Registration #	Importer #
within 35 days Due net	FOB U OF T	R108162330	UTO 500011

Quote #: 4326 Dated 13.08.2015

Item #	Product/Service Description	Quantity	Unit	Net Unit Price	Net Value
00001	220-5526 Poweredge Server	2	Each	10,006.00	20,012.00
00002	147.3399 Printer 968	1	Each	200.00	200.00

Total net order value excl. tax: CAD 20,212.00

To obtain access to Storage Locations and/or Purchasing Groups, contact AMS:
- **AMS Access:** access.easi@utoronto.ca

Adopting a PR into a PO

A Purchase Requisition is a request for approval. Once UTSC Procurement has reviewed a departmental PR for policy compliance, it will adopt the PR into a formal, binding contract (i.e., Purchase Requisition).

Financial connection: When the PO is created, it will have a unique 45-series document number, and the original funds reservation (i.e, commitment) attached to the PR will now be associated with the new PO number in the financial reports.

To adopt PR:

1. Proceed to **ME21N – Create** in the SAP Menu
2. Click the Document Overview On button
3. Click the **Selection Variant** ( ) button
4. Select **Purchase Requisition** from the dropdown
5. Enter the PR number in the **Purchase Requisition** field
6. Click **Execute (**)
7. Select the **Purchase Requisition number** in the left column, under Hierarchy
8. Click the **Adopt** ( ) button
9. Enter the applicable tax code on all lines (e.g., E1)
10. Click **Save** ( ) and record the new Purchase Order number

Reference Guide: How to Create a PO for Radioisotopes
https://finance.utoronto.ca/wp-content/uploads/2015/11/Create-for-Radioisotope-Convertedfin.pdf

Exercise 2 – Adopt the Approved Purchase Requisition into a Purchase Order

Part 2 – Goods Receipts and Invoice Receipts

GR – What is it?

- 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** as well as Funds Center or Funds Center/Fund combination in **Funds Management (i.e., releases commitment)**

Note: As of September 1st, GR now posts as an actual to the FC or FC/Fund in Funds Management. This document will appear in Monthly Statement Accounts and all other FM reports.

GR – The Business Process

UNIVERSITY OF TORONTO

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.

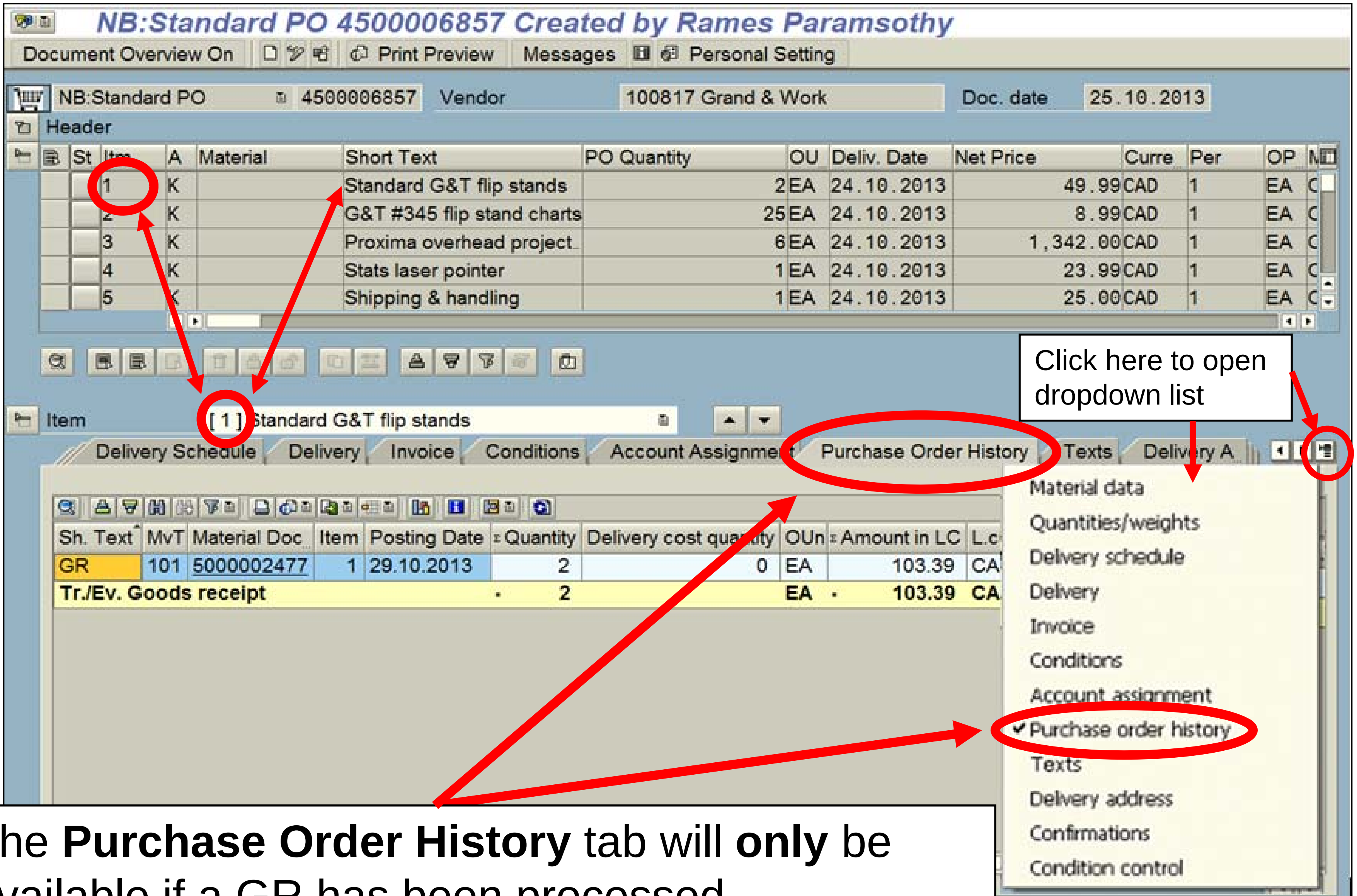
When creating a receiving report, it must include:

- 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 - Purchase Order History Tab



St	Itm	A	Material	Short Text	PO Quantity	OU	Deliv. Date	Net Price	Curre	Per	OP
	1	K		Standard G&T flip stands	2	EA	24.10.2013	49.99	CAD	1	EA
	2	K		G&T #345 flip stand charts	25	EA	24.10.2013	8.99	CAD	1	EA
	3	K		Proxima overhead project	6	EA	24.10.2013	1,342.00	CAD	1	EA
	4	K		Stats laser pointer	1	EA	24.10.2013	23.99	CAD	1	EA
	5	K		Shipping & handling	1	EA	24.10.2013	25.00	CAD	1	EA

Sh. Text	MvT	Material Doc	Item	Posting Date	Quantity	Delivery cost quantity	OUn	Amount in LC	L.c
GR	101	5000002477	1	29.10.2013	2	0	EA	103.39	CA
Tr./Ev. Goods receipt					2		EA	103.39	CA

The **Purchase Order History** tab will **only** be available if a GR has been processed.

Exercise 3 – Create a Partial Goods Receipt

Adjustments to a Processed GR

UNIVERSITY OF TORONTO

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

Exercise 4 – Reverse a Goods Receipt

Exercise 5 – Process a Goods Receipt (replacement and remainder)

IR – What is it?

UNIVERSITY OF TORONTO

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

Exercise 6 – Process a Partial Invoice Receipt

Exercise 7 – Process a Second Partial Invoice Receipt

Adjustments to a Processed IR

UNIVERSITY OF TORONTO

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.

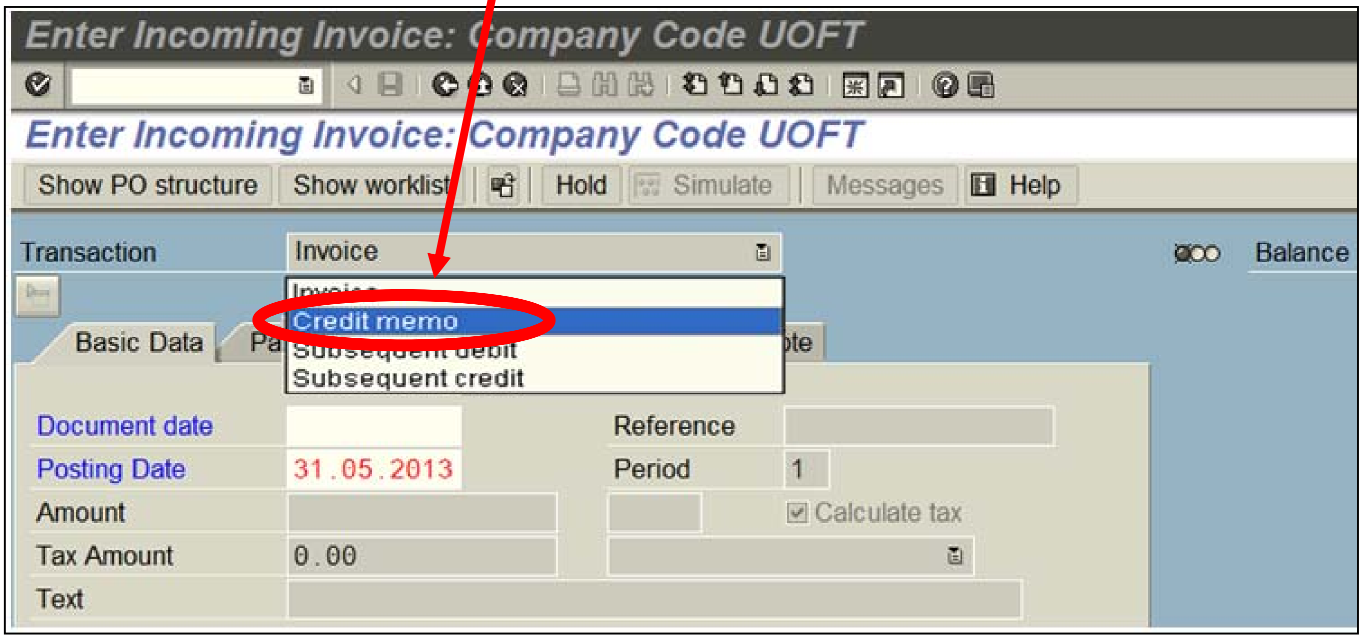
   Include the following in your email:

   - your **Contact information**
   - **Cheque number**
   - **Document numbers** (each IR is issued two document numbers)
     - 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**" :



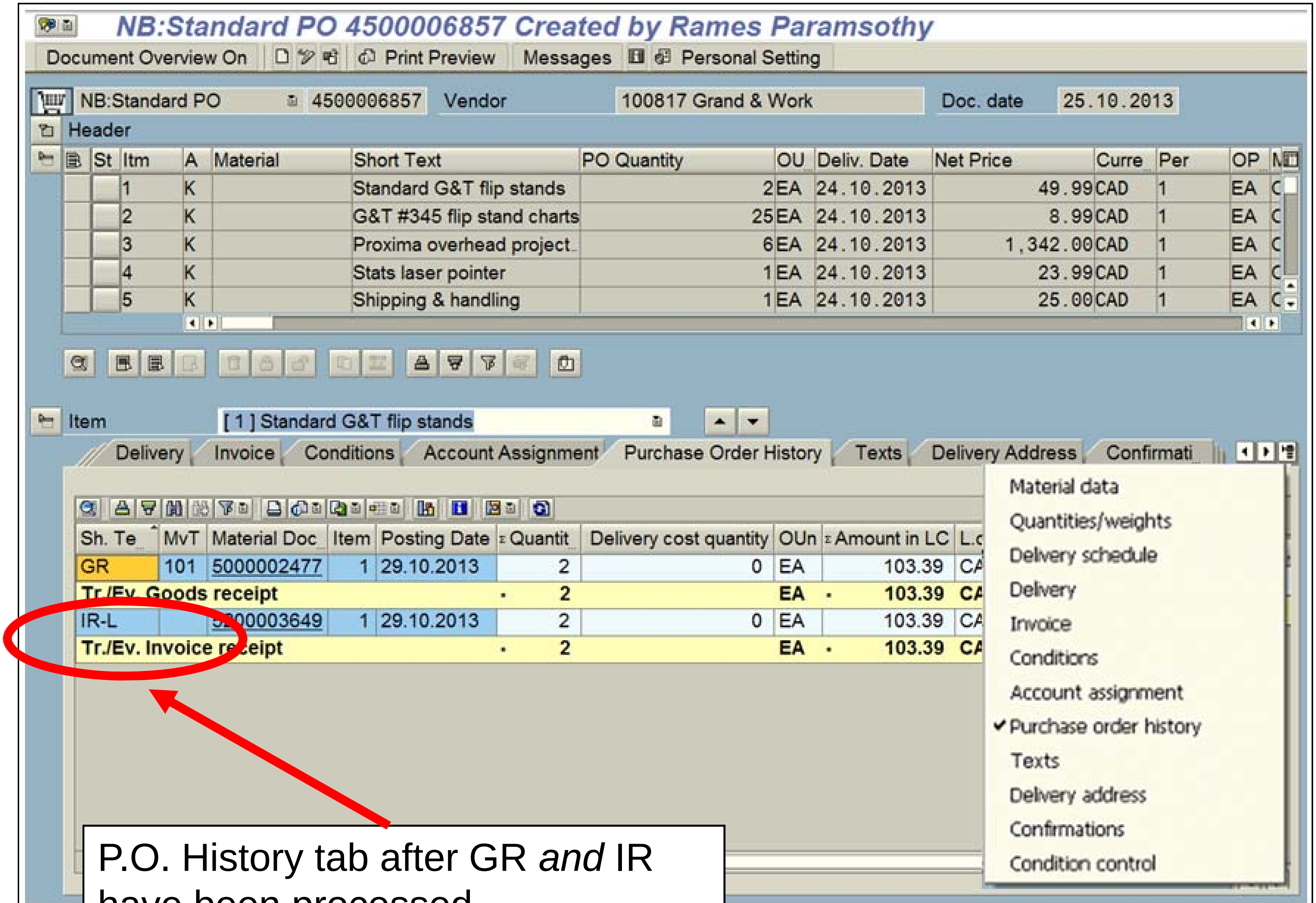
QRG: Create Invoice or Credit Memo (PO related)

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

Exercise 8 – Process a Cancellation of an Invoice

IR – The Purchase Order History tab

UNIVERSITY OF TORONTO



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

WEB Documentation

- **Documentation & Support**
  http://finance.utoronto.ca/fast/support-documentation/

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

- **GTFM Policy**
  http://finance.utoronto.ca/policies/gtfm/

- **Glossary of Terms**
  http://finance.utoronto.ca/fast/fis-glossary/

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

Review Course Objectives

Morning:

- Understand the university's Purchasing Cycle
- Determine **when** to create a Purchase Requisition, and Purchase Order
- Process Purchase Orders
- Modify or Cancel a Purchase Order

Afternoon:

- 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

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

Manager	Chris Dimitriadis chris.dimitriadis@utoronto.ca	946-3153
Senior Business Analyst	Maryanne McCormick m.mccormick@utoronto.ca	946-3291
Business Analyst	Nusrath Mohiuddin nusrath.mohiuddin@utoronto.ca	978-4042
Business Analyst	Wah-Ming Wong wahming.wong@utoronto.ca	978-1151
Senior Business Analyst (Training)	Rames Paramsothy rames.paramsothy@utoronto.ca	978-4675
Business Analyst (Training)	Tasleem Hudani tas.hudani@utoronto.ca	978-1229

FIS Standard Curriculum Evaluation:
http://finance.utoronto.ca/fast/fis-training/course-evaluation-fis-training/
FAST website:
http://finance.utoronto.ca/fast/