Division of Financial Affairs
Payment Request: Process Overview
SOP Owner: Accounts Payable
Revised: 06/17/2021

Standard Operating Procedure

Payment Requests (Purchase Order Invoices)
- o PREQ e-doc Payment Method selected is ACH/CHECK
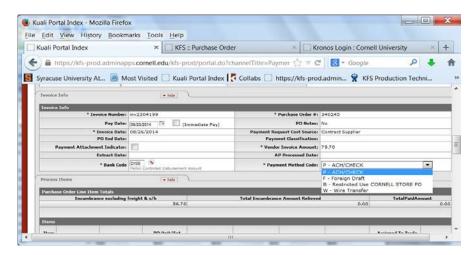- o PRNC e-doc Payment Method selected is Wire or Foreign Draft

Unlike other KFS documents, general ledger entries for these documents are created prior to final approval. Upon submission by A/P Staff or creation of PREQ via electronic invoice, dis-encumbrance and accounting entries are generated as G/L pending entries and post in the nightly G/L batch cycle.

Payment Request Initiation:

- Input centrally by Accounts Payable Staff
  - o Initiator of PREQ will be NetID of AP staff
  - o Image of invoice is attached as doc # to the PREQ/PRNC doc

- Input by Electronic invoices from Vendors
  - o Initiator of PREQ will be KFS (system generated)
  - o Generally, no attachments; the PREQ is considered the vendor's invoice
  - o If the electronic invoice fails any matching criteria on the Purchase Order (PO), an EIRT (Electronic Invoice Reject e-doc) is generated. AP staff must research the error and take action to resolve
  - o Approved EIRT generates a PREQ doc

1. A valid invoice is required to be processed against the PO. Invoice(s) should reference the PO, payee name, remit address and item detail from PO. Statements, quotes and emails are not valid invoices. An emailed pdf file is preferable to a mailed paper invoice.

2. The invoice issued by the vendor is entered into KFS. The payment method on the PREQ is determined based on the Default payment method from Vendor file.

Only AP Staff can change the Payment Method on the document. Upon document submission, PO line item details (open quantity, amount paid, etc.) are adjusted to reflect materials/services that have been paid and the 'ap-approved' timestamp will be updated. General ledger Doc type will be a **PREQ** which extracts to PDP.

3. The PREQ is eligible for approval at this point and will route to the appropriate Action list. The fiscal officer (FO) or FO delegate will have these action buttons available on the bottom of the PREQ.
   a. Hold
   b. Request cancel
   c. Send ad hoc request (which may be used to confirm receipt or request unit approval)
   d. Save
   e. Approve

   Placing a PREQ on Hold requires a note and then a Remove Hold button will be available. The person who placed the hold or AP Manager can remove the hold. The hold prevents it from being extracted for payment.

   The FO or FO delegate may choose to request cancel if the PREQ should not be approved. A note is required explaining why. The actual cancellation is done by AP staff. The Request Cancel action does not route to AP Action list. AP will use the PREQ doc search to look for these requests.
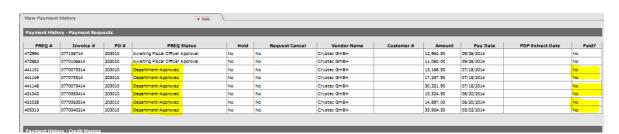
4. Fiscal Officers (FOs) and FO delegates have the ability to change their own accounts to another of their own accounts on a PREQ. If fiscal officers change accounting strings or redistribute the charges within their accounts, G/L entries are generated to reverse the original accounting entries and new entries using the revised accounting are created. Encumbrance entries are not altered.
   a. If the department completes all of the approvals through Workflow, the payment request status is updated to 'Department-Approved' during post-processing.
   b. If the document is automatically approved through the auto-approve batch script, its status is updated to 'Auto-Approved'.

- PREQs are only eligible for automatic approval if the total invoice is less than $5,000 and the positive payment approval box is not checked on the purchase order.
- e-SHOP orders are not eligible for automatic approval of PREQs.

5. A PREQ remains in the Purchasing module until the pay date, at which time it will be eligible for extraction to the Pre-Disbursement Processor (PDP) via a batch job that runs three times a day. The Extract date will be updated on the Invoice Info tab.

6. If invoice indicates payment should be issued in foreign currency or International Wire, AP staff will change the payment method to Wire Transfer. This selection requires the Wire Transfer tab to be completed. If required bank information is not on the invoice, AP staff will contact service center staff for assistance. Once Wire tab is completed, invoice image is attached, and doc is submitted. General ledger Doc type will be **PRNC** and it does not extract to PDP. It routes based on workflow.

7. The PRNC is eligible for approval dependent upon workflow at this point. Fiscal Officers (FOs) and FO delegates have the ability to change their own accounts to another of their own accounts on a PRNC. If fiscal officers change accounting strings or redistribute the charges within their accounts, G/L entries are generated to reverse the original accounting entries and new entries using the revised accounting are created. Encumbrance entries are not altered. After the department completes all the approvals through Workflow, the PRNC routes to Tax if required, with status of "Awaiting Tax Approval". After Tax approval the status updates to "Awaiting Treasury Manager Approval".

8. Treasury will review PRNC and initiate wire and foreign currency payments outside of KFS in the bank system. Treasury has the ability to change the account distribution to reflect foreign currency conversion costs. If adjustments are made, pending General ledger entries will post in the nightly G/L batch cycle. The PRNC status will be "Department-Approved" once Treasury approves it. Treasury can also disapprove and reversing entries would generate.

Note: The paid field on View Payment History tab for payment method of Wire does not update to yes, even after Treasury processes payment and doc is in Final Status.

PREQ #	Invoice #	PO #	PREQ Status	Hold	Request Cancel	Vendor Name	Customer #	Amount	Pay Date	PDP Extract Date	Paid?
472994	077106714	203010	Awaiting Fiscal Officer Approval	No	No	Crystec GmBH		12,962.50	09/26/2014		No
472983	0770106614	203010	Awaiting Fiscal Officer Approval	No	No	Crystec GmBH		11,080.00	09/26/2014		No
441151	0770075314	203010	Department-Approved	No	No	Crystec GmBH		13,168.90	07/18/2014		No
441149	0770075514	203010	Department-Approved	No	No	Crystec GmBH		17,257.50	07/18/2014		No
441148	0770075414	203010	Department-Approved	No	No	Crystec GmBH		30,321.90	07/18/2014		No
431043	0770063414	203010	Department-Approved	No	No	Crystec GmBH		15,524.50	06/20/2014		No
431038	0770063514	203010	Department-Approved	No	No	Crystec GmBH		14,897.00	06/20/2014		No
405313	0770040214	203010	Department-Approved	No	No	Crystec GmBH		35,924.90	05/02/2014		No

The same is true in the PREQ search results for Wire. Paid will say "No" even when doc is final.

Document/Notification Id	Document Description	Organization Document Number	Payment Request #	Invoice Number	Purchase Order #	Payment Request Status Description	Hold	Request Cancel	Vendor	Customer #	Pay Date	Extract Date	Paid	Chart Code	Account Number	Organization Code	Ledger Document Type	Total Amount	Route Log
5867359	PO: 329743 Vendor: CEZ Archaeometrie g G		467730	00000014181	329743	Department-Approved	No	No	CEZ Archaeometrie g GmbH		08/30/2014		No	IT	A533300	2153	PRNC	1,950.83	
5861858	PO: 339675 Vendor: Bennett Hay Ltd		467148	bh1238	339675	Department-Approved	No	No	Bennett Hay Ltd		09/16/2014		No	IT	1088341	01L6	PRNC	5,106.80	
5857240	PO: 279534 Vendor: Stanton-Greenwood, An		466554	INV072914	279534	Department-Approved	No	No	Stanton-Greenwood, Angela		08/28/2014		No	IT	3233620	0323	PRNC	5,160.92	

9. When PREQ loads to PDP, the status is OPEN (unpaid). If vendor has a Payee ACH Account active in PDP, the disbursement type will be ACH. If no ACH account exists, then check will issue.

10. AP Staff (with PDP Processor or PDP Manager role) runs the format ACH/Check Process in PDP. Batch jobs run to complete the format process to create payment files to send to bank. The Payment status is now EXTRACTED for both ACH and Check payments. ACH files are created daily, Monday through Friday. Check files are created and sent to bank on Tuesday. Checks are printed and mailed on Wednesdays.

11. Disbursement information from PDP is added to the PREQ e-doc on the Invoice Info Tab. This is system generated and will update payment information on the PO e-doc, View Payment History tab. Clicking on the Disbursement Info button will display the payment detail from PDP.

12. All ACH/Check payments are stored in PDP. Access to the PDP Payment Inquiry is limited to KFS Users with the PDP customer contact role. This includes individuals with the BSC Role.

Notes:
- AP is not authorized to make accounting changes.
- Email to send invoice image as pdf file is dfa-4040_invoice@cornell.edu
  - PO number should be on pdf file
  - PDF file should contain only one invoice
  - Limit of 3 PDF files per email
  - Subject line should indicate RUSH only if processing should be expedited
  - If invoice is for a Deposit to be paid at NET, please include this in email
  - Indicate in email if payment should be Foreign Currency or International wire

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