Non-PO Invoice Best Practices

UW PROCUREMENT SERVICES – WEBCAST TRAINING SERIES 4/26/2022

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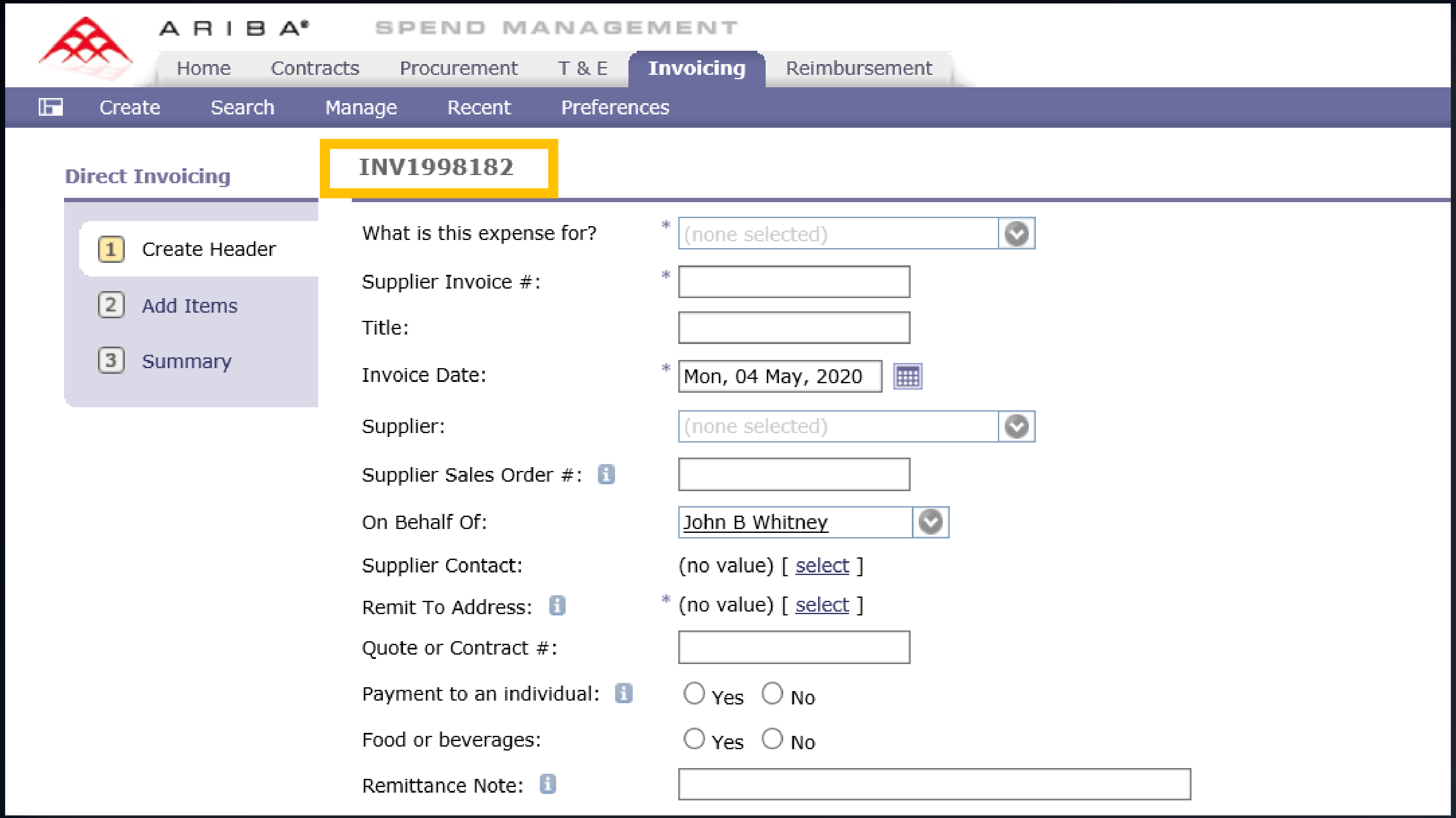
What is a Non-PO Invoice?

- A Non-PO Invoice is an online tool in ARIBA used to make a payment to a supplier when a PO is not required, and the invoice is under the Direct Buy Limit (10K or less, including shipping & handling and excluding tax).


ARIBA®
SPEND MANAGEMENT
Home
Contracts
Procurement
T & E
Invoicing
Reimbursement
Create
Search
Manage
Recent
Preferences
Direct Invoicing
1 Create Header
2 Add Items
3 Summary

INV1998182

What is this expense for? *	(none selected)
Supplier Invoice #: *	
Title:	
Invoice Date: *	Mon, 04 May, 2020
Supplier:	(none selected)
Supplier Sales Order #:	
On Behalf Of:	John B Whitney
Supplier Contact:	(no value) [select]
Remit To Address: *	(no value) [select]
Quote or Contract #:	
Payment to an individual:	○ Yes ○ No
Food or beverages:	○ Yes ○ No
Remittance Note:	

What To Know Before You Begin

- Non-PO Invoice is a payment method, not an order method in Ariba.

- It’s used for paying a supplier for an order (not a purchase order in Ariba) they have already received.

- Can be used for payments like:
    - ✓ Conference Registrations
    - ✓ Utilities payments
    - ✓ Renewals of memberships, subscriptions and magazines
    - ✓ Banquet services
    - ✓ Advertisements or permits

- When the ultimate aggregate cost to the department for a service or the purchase of a product will exceed the $10K Direct Buy Limit, regardless of the period of time, please contact Procurement Services for guidance.

Why use Non-PO Invoice?

- Here are some benefits to using Non-PO Invoice:
  - ✓ Faster payments to suppliers by reducing the amount of people involved in processing the transaction.
  - ✓ Greater transparency of the invoice payment process.
  - ✓ Convenient option for paying small invoices to suppliers who don’t take a credit card.
  - ✓ Ability to attach documents (Retention in Ariba).

Knowledge Assessment and Access

- Important:
  - ✓ Before you can be granted access/authorization to create Non-PO Invoices, you must first view the eLearning Non- PO Invoice tutorial, and then take the online knowledge assessment at the end of the eLearning.
    - ✓ https://finance.uw.edu/ps/resources/training/tutorials
  - ✓ You must pass with a score of at least 80% (15 of 18 questions correctly answered). Once achieved, you will be assigned the Non-PO Invoice Preparer role in ASTRA within 2 business days. The link to the online knowledge assessment is in the eLearning tutorial.

Supplier Requirements

- Suppliers must be fully registered with the UW (Reviewed for IRS compliance).
- Domestic suppliers must be enrolled in electronic payments.
- If you are using a new supplier, please direct the supplier to the Supplier Registration Form and have the supplier register as a UW supplier.
- If the supplier is foreign, please review our Foreign suppliers web page for registration guidance.
- Suppliers must have their payment method completed in order to issue a payment through Non-PO Invoice. Check the Supplier Search report (B.I. Portal) report to verify that the supplier's remit-to address is on Active status.

What Cannot be paid through Non-PO Invoice?

- A good rule of thumb is that if what you are going to purchase needs approval by an authority outside of your department (i.e. Equipment Inventory Office or Environmental Health & Safety), the payment should not go through Non-PO Invoice.

- Items on the Exception List should be processed through a Non-Catalog or Blanket Purchase Order.

- Here are some examples of items that cannot be paid via Non-PO Invoice:
  - ✓ Animals, animal products, and custom animal antibodies
  - ✓ Blood, blood serum or platelets
  - ✓ Construction services (like painting, electrical work etc.)
  - ✓ Controlled substances (like radioactive materials)
  - ✓ Employee Reimbursements
  - ✓ Items for Resale
  - ✓ Items that will be purchased over a period of time/multiple invoices (BPO-order method)
  - ✓ Subcontract payments

Before Initiating a Non-PO Invoice

- ➢ Requirements:
  - ✓ Only process one invoice per Non-PO Invoice, even if you have multiple invoices for the same supplier.
  - ✓ Note that quotes, statements, proforma invoices, emails and packing slips cannot be used to make payment.
  - ✓ Only pay invoices for items or services that have been received by your department. (Exceptions: Subscriptions or memberships).
  - ✓ Never take an invoice over the Direct Buy Limit and split it between more than one Non-PO Invoice. Contact pcshelp@uw.edu for assistance.
  - ✓ If the invoice you received is incorrect, request a corrected invoice from the supplier.
  - ✓ Confirm the supplier's remit-to address using the Supplier Search report.
  - ✓ Ensure proper documentation is available for food purchases (form 1798).
  - ✓ Obtain access to Non-PO Invoice (See Access Guidance below).

Attaching Documents to Non-PO Invoice Payments

- Documents required to support Non-PO Invoices should be attached electronically within the application. The attachments will be the official record for the Non-PO Invoice transactions. The attachments will be maintained in accordance with the UW approved records retention policy.

- The benefit of using this feature is that in most cases you no longer need to retain the hard copies of the documents in department files, provided that you adhere to the University Scanning Policy.

- For Non-PO Invoices you should attach:
  - ✓ Vendor invoice/membership voucher/subscription voucher/registration documents.
  - ✓ Any supporting documents for proof of delivery, i.e., packing slips.

- **DO: Attach the invoice/attachments to the Summary page of your Non-PO Invoice.**

- DO NOT: Attach it to the line item page, as this will make it hard to find the invoice in the future.

- DO NOT: Include scans of any information that includes bank account numbers, credit card numbers, or social security numbers.

Non-PO Invoice System Demo

Best Practices

➢ Goods/Services

- ✓ If the goods/services you want to purchase are over the Direct Buy Limit ($10,000), contact Procurement Services for guidance.
- ✓ If what you are going to purchase needs approval by an authority outside of your department (i.e. Equipment Inventory Office or Environmental Health & Safety), the payment should not go through Non-PO Invoice.
- ✓ If purchasing items over a period of time from a supplier, with multiple invoices being sent, use the blanket purchase order (BPO) module in Ariba.
- ✓ Unauthorized Purchases - An unauthorized purchase is a commitment made by an employee or department outside its authority. Unauthorized purchases must be reviewed by Procurement Services to determine whether the purchase conforms to all applicable laws, regulations, and/or University policies. Unauthorized purchases may subject the individual responsible for the unauthorized purchase to significant personal liability.

Best Practices

➢ Invoices

- ✓ Make sure to have the Supplier send the invoice to you department instead of Accounts Payable.
- ✓ Only invoices or payment vouchers may be used to make a payment in Non-PO Invoice. Quotes, statements, proforma invoices, emails and packing slips cannot be used for payments.
- ✓ We cannot pay in advance.
- ✓ Pay only one (1) invoice per Non-PO transaction. It saves the supplier from having to call/email to find out what the payment is for and pcshelp (customer service) referring them to the department to find out.
- ✓ **IMPORTANT:** Make sure to put all Attachments in the Summary page, and not the line item page.

Best Practices

➢ Suppliers

- ✓ Suppliers must be fully registered in the vendor database to show in Non-PO (registered and been reviewed for IRS compliance).
- ✓ Estimated turnaround time for new suppliers to be available in Non-PO Invoice is 2 – 5 weeks.
- ✓ Suppliers must have their payment method completed in order to issue a payment through Non-PO Invoice.
- ✓ If paying a Utilities type bill, make sure to insert the Account Number in the Remittance Note field. Make sure to lead with the Account Number first, and not with any words or comments before the Account Number.
- ✓ Provide a unique number to provide to the supplier as a "PO #", such as a Purchase Path number or a sequence number created and maintained in your department to track Non-PO Invoice payments.
- ✓ Provide the supplier with a contact person for your order, including first and last name and telephone number.

Best Practices

➢ Attachments & Comments

- ✓ Always attach the invoice to the Summary screen, not the line item screen.
- ✓ **Do not** attach any document with sensitive information such as social security numbers, bank account information, etc.
- ✓ Attached invoices will be the official document of the Non-PO Invoice and maintained for the full retention period.
- ✓ Any supporting documents for proof of delivery, i.e., packing slips.
- ✓ Do not add addresses or special instructions in the Comment section. They will not be read by Central Office. The address you select on the Supplier location field is where the payment will be sent. If it is not the same as on your invoice DO NOT submit the invoice.

Best Practices

➢ Sales Tax

- ✓ Always enter the tax amount provided on the supplier invoice.
- ✓ If there is not tax, or if the items are tax exempt, enter a tax amount of $0.
- ✓ **Do not** add Use Tax because the system will pay this amount to the supplier instead of the State of Washington, resulting in an over payment.
- ✓ You cannot split Sales Tax. The system will spilt the tax based on the split you do on your line items.

Best Practices

➢ Approval Roles

- ✓ Funding Approvers are required.
- ✓ The Non-PO Preparer must be a different person than the Funding Approver.
- ✓ The Non-PO Invoice Compliance and Non-PO Invoice Watcher roles are optional.
- ✓ If you do not have a Funding Approver, have your Administrator set one up in ASTRA before submitting your Non-PO Invoice.

ANY
QUESTIONS
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