Non-PO Invoice Best Practices

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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).
What is a Non-PO Invoice?

- 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 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.
- Flexible accounting, allowing you to determine exactly how much each budget should pay.
- Direct links to the Non-PO Invoice from the MyFD Reconciliation Report.
- 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.
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 pcs@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 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 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 pcs help (customer service) referring them to the department to find out.
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.

  - 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 split 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?