

University
of
St Andrews

Finance Department
Aptos9 User Notes

Departmental
Mismatch Procedures



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Change History

Version	Date	Author
1	12 March 2006	Karen Porteous Mary Woodcock-Kroble
2	24 December 2006	Ian Fowler



1. Mismatches

1.1. Overview

Mismatches are caused when the supplier invoice differs from that generated from the PO by Aptos by a difference greater than the 'acceptable differences'. These acceptable differences are controlled by the tolerances set within the system.

If the supplier invoice differs from the generated invoice but the difference is within the system tolerances, it will be treated as an exact match by the system and will continue through the payment process.

If the supplier invoice differs from the generated invoice and the difference is outwith the system tolerances, the system will treat the invoice according to the tolerance instructions.

1.2. Tolerances

The following tolerances have been applied to the live system:

	Ignore	Enforce	Warn	Hold	Error
Invoices					
Over Shipment Quantity:	<input type="checkbox"/>	<input type="checkbox"/>	0.01 %		
Under Shipment Quantity:	<input type="checkbox"/>	<input type="checkbox"/>	0.01 %		
Over Invoice Quantity:	<input type="checkbox"/>	<input type="checkbox"/>		0.01 %	
Over Invoice Amount:	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
Over Unit Price:	<input type="checkbox"/>	<input type="checkbox"/>	0.01 %	5.00 %	
Under Unit Price:	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
Receipts					
Over Shipment Quantity:	<input type="checkbox"/>	<input type="checkbox"/>	0.01 %		
Under Shipment Quantity:	<input type="checkbox"/>	<input type="checkbox"/>	0.01 %		
Early Shipment Days:	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
Late Shipment Days:	<input checked="" type="checkbox"/>	<input type="checkbox"/>			

It is worth noting the tolerances on the test system are far less strict so that it is easier to see and understand what happens in each instance.

Tolerances are explored in more detail in the separate document 'Understanding Tolerances'.

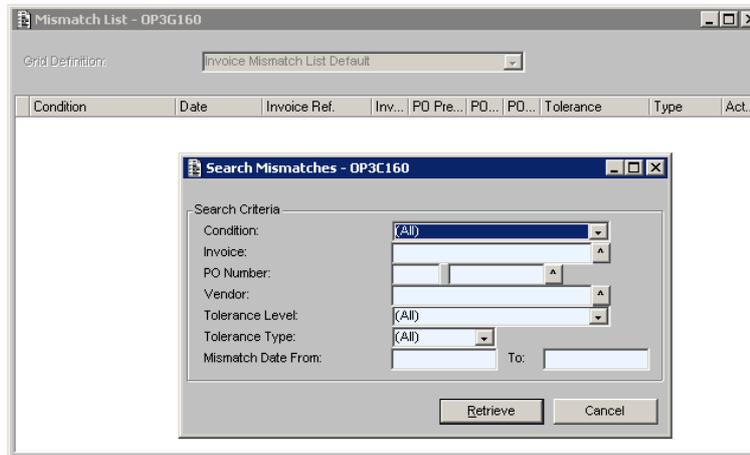
Invoices which fail the tolerance check, when undergoing the schedule for payment process, are placed by Aptos in the 'mismatch list'. Accounts Payable are responsible for checking the mismatch list and clearing it out but they need to contact the relevant department for assistance. This document is designed to explain to departments what they will be asked to do in the various scenarios.



2. Viewing the Mismatch List

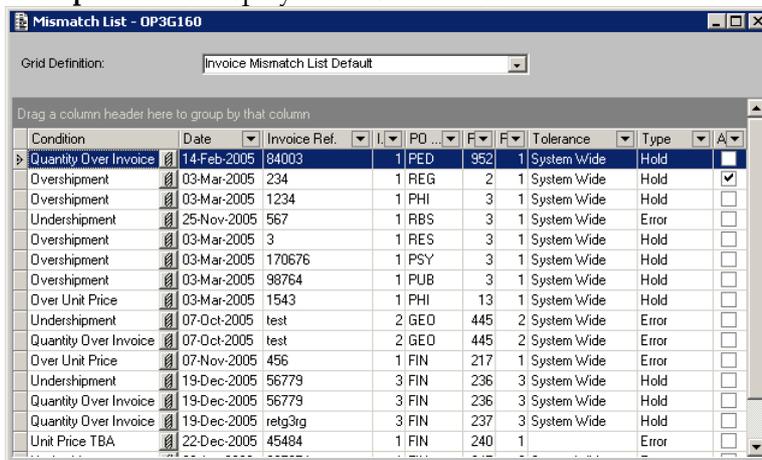
Departments can check for themselves if they have any invoices in the mismatch list.

Menu Path: Purchase Order Man – POM Purchase Order – Mismatch List

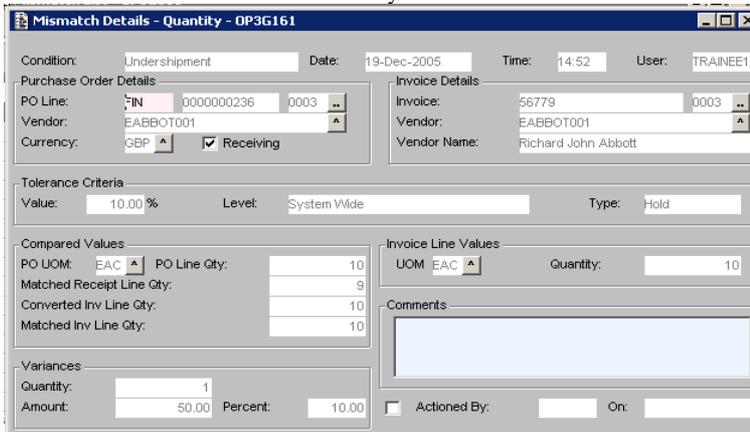


- Enter appropriate retrieval criteria (or to see all mismatches accept the defaults)
- Click **RETRIEVE**.
A screen is displayed showing the retrieval statistics.

- Click **proceed** to display the mismatch list.



- Click the detail button beside any mismatch condition to view details of the mismatch.





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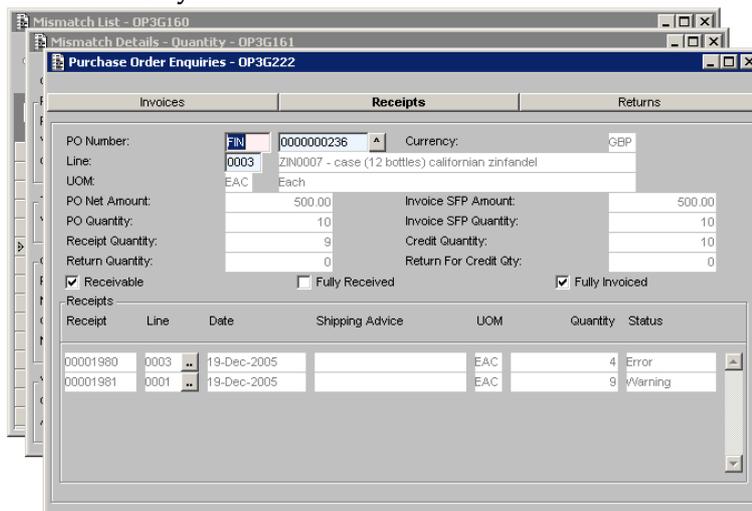
The actual title and contents of this window vary according to the mismatch condition chosen: there are similar windows for mismatched amounts and unit prices. The condition names are not always clear but the comparative data provided is a simple method of determining the cause of the mismatch, and how to resolve it.

- If a mismatch type of hold applies then the invoice has a status of **scheduled for payment** and cannot be amended.
- If a mismatch type of error applies then the invoice remains at **registered** and can be amended.
- Mismatches will be resolved by Accounts Payable in accordance with the agreed procedures (see section 4).

If a mismatch is solved, Accounts Payable will gain attempt to schedule the invoice for payment at which point Aptos repeats the same checking process as at the first attempt to schedule the invoice and if the checks are passed, the item will no longer be shown in the mismatch window. However, there is the possibility that a different check will fail.

From the mismatch details window there is a simple method of seeing all invoices, receipts and returns associated with the PO.

- From the **actions** menu, select the appropriate option **Invoices by PO**, **Receipts by PO** and **Returns by PO**.



Note the tabs under the window title allow you to move directly to the windows reached by the **Invoices by PO** and **Returns by PO** options.



3. Mismatch List Override

As a last resort, it is possible for Accounts Payable to use the mismatch list override facility to pay an invoice which is stuck in the mismatch list. This option should not be used lightly and its use should be documented for audit purposes. The mismatch override facility is restricted to the Accounts Payable Supervisor and the Operations Manager.

Departments have no access to this functionality.



4. Mismatch Procedures

4.1. Overview

This section is intended as Procedural note on dealing with mismatched invoices. Although Accounts Payable will contact departments regarding mismatches, departments will need to take an active part in the process. While the invoice remains in the mismatch list, it can not be paid so both parties must work together to resolve the problem.

It assumes the user is familiar with the concepts covered in the related documents 'Purchase Ordering' and 'Understanding Tolerances'.

The different types of mismatch are covered but it is worth remembering that it is possible for a single line to fail multiple tolerance checks. In these cases, techniques may have to be combined to solve the specific problem.

As detailed in the 'Understanding Tolerances' document the following tolerance sets are those applicable to invoice processing:

- Over Shipment Quantity and Under Shipment Quantity - used to specify the action taken when received quantities do not match ordered quantities.
- Over Invoice Quantity - used to specify the action taken when the invoice quantity is more than the received quantity (receivable PO lines) or the ordered quantity (non-receivable PO lines)
- Over Invoice Amount - used to specify the action taken when the invoiced cost of an item is more than the same item's cost on the PO
- Over Unit Price and Under Unit Price - used to specify the action taken when the unit price of an item on the invoice is different to that entered for the same item on the PO

In the following examples the tolerances are set as:

- Warning = 5% (warning only, invoice will be paid)
- Hold = 10% (prevent invoice from being paid)
- Error = 15% (schedule for payment process fails)

When amending orders to clear mismatches, you will need to use the **Change in Progress** functionality as explained in section 5.5 of the document 'Purchase Ordering'.

It is worth noting that there is often a good reason that an invoice has mismatched. For example, a PO may be unreceipted because the goods have never been delivered and therefore it is correct not to pay the invoice. However, the goods may have arrived and for some reason the receipting process has not taken place in which case a receipt should be created to release the invoice for payment. For this reason, departments should take care not to just enter a receipt because 'it looks like there should be one'.

It may also be possible that a receipt has been entered against an order but has not been submitted (has a status of scrapped). If this happens, the existing receipt can be updated / submitted instead of entering a new one.

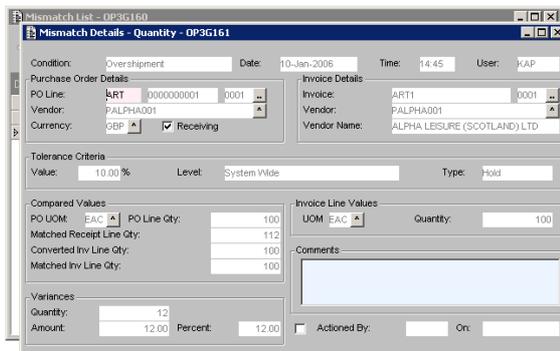


4.2. Over Shipment Quantity and Under Shipment Quantity

4.2.1. Over Shipment Quantity Example 1

Purchase Order	100 each
Receipt	112 each
Receipt to PO Difference	12%
The difference is greater than the hold level but less than the error level	
E5702 Failed Overshipment Tolerance Check With Hold	
W5127 Mismatch Created. Invoice will be Withheld From Payment	

In the mismatch list this appears as:



Condition = 'Overshipment'

Type = 'Hold'

Compared Values – this box clearly shows 112 items on the receipt with only 100 items on the PO or the invoice.

Accounts Payable will contact you to establish WHY the receipt is for 112.

Solution – where extra full price items are to be kept

If you have actually received 112 items and have decided to keep and pay for them, you will be asked to:

- Amend the original PO
- Re-approve the order
- Notify Accounts Payable that the necessary alterations are completed.

When Accounts Payable receive the notification the order has been amended they will:

- re-process the invoice.
- process the invoice for the 12 when it arrives.

Solution – where extra items are to be kept, and are free

If you know the 12 items were 'free of charge' extras, you will be asked to:

- Process a return for credit against the extra 12 items on the original receipt, (bringing the received quantity back down to 100).
- Amend the original PO, adding a line for the extra items, i.e. enter the same item details EXCEPT with a quantity of 12 and a unit value of 0.00.
- Re-approve the order
- Enter a new receipt against the new line for the 12 extra items.
- Notify Accounts Payable that the necessary alterations are completed.



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When Accounts Payable receive the notification the order has been amended they will:

- re-process the invoice.

Solution – where a miscount has occurred

If you confirm 112 was a miscount and only 100 were delivered, you will be asked to:

- Process a return for credit against the extra 12 items on the original receipt, (bringing the received quantity back down to 100).
- Notify Accounts Payable that the necessary alterations are completed.

When Accounts Payable receive the notification the order has been amended they will:

- re-process the invoice.

4.2.2. Over Shipment Quantity Example 2

Purchase Order	100 each
Receipt	118 each
Receipt to PO Difference	18%
The difference is greater than the error level	
E5702 Failed Overshipment Tolerance Check With Error	
E5738 Invoice Matching Failed: Invoice XXX	
E5718 Schedule For Payment Failed: Matching Unsuccessful	

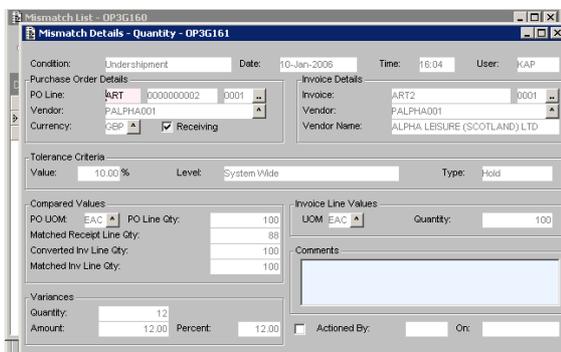
Solutions

These are the same as for Over Shipment Quantity Example 1 (section 4.2.1), EXCEPT at the final stage completed by Accounts Payable.

4.2.3. Under Shipment Quantity Example 1

Purchase Order	100 each
Receipt	88 each
Receipt to PO Difference	12%
The difference is greater than the hold level but less than the error level	
E5702 Failed Undershipment Tolerance Check With Hold	
W5127 Mismatch Created, Invoice Will Be Withheld From Payment	

In the mismatch list this appears as:



Condition = 'Undershipment'

Type = 'Hold'

Compared Values - this box clearly shows 88 items on the receipt with 100 items on the PO and the invoice.



Accounts Payable will contact you to establish WHY the receipt is for 88. Do NOT receipt the rest at this stage, establish the facts and proceed as below.

Solution – where the supplier can't fulfill the entire order

If you know that 100 were ordered but it was an item the supplier was no longer going to stock and they only had 88 available, you will be asked to:

- Amend the order to indicate that the order was only for 88 items.
- Re-approve the order
- Request a credit note from the supplier for the 12 items they are unable to supply.
- Notify Accounts Payable that the necessary alterations are completed.

When Accounts Payable receive the notification the order has been amended they will:

- process the credit note (when it arrives) and match it to the invoice
- re-process the invoice.

Solution – where some of the items were returned for resupply

If all 100 were delivered but 12 were returned, you will be asked to:

- Establish if the return was for credit or re-supply.

If the return was for re-supply, you will be asked to:

- Process a new receipt for the 12 replacement items ONLY WHEN they arrive.
- Notify Accounts Payable that the necessary alterations are completed.

When Accounts Payable receive the notification the order has been amended they will:

- re-process the invoice.

If the return was for credit:

- Please tell Accounts Payable and they will seek further advice.

Solution – where a miscount has occurred

If you establish that 88 was a miscount and 100 were delivered, you will be asked to:

- Process a receipt for the 12 items.
- Notify Accounts Payable that the necessary alterations are completed.

When Accounts Payable receive the notification the order has been amended they will:

- re-process the invoice.

4.2.4. Under Shipment Quantity Example 2

Purchase Order	100 each
Receipt	80 each
Receipt to PO Difference	20%
The difference is greater than the error level	
E5702 Undershipment Tolerance Check With Error	
E5738 Invoice Matching Failed: Invoice XXX	
E5718 Schedule For Payment Failed: Matching Unsuccessful	

Solutions

The solutions here are the same as for Under Shipment Quantity Example 1 (section 4.2.3) - EXCEPT at the final stage completed by Accounts Payable.

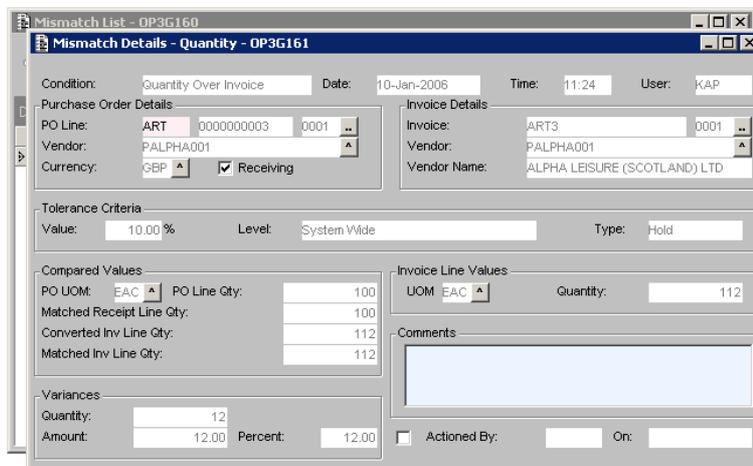


4.3. Over Invoice Quantity

4.3.1. Over Invoice Quantity Example 1

Purchase Order	100 each
Receipt	100 each
Invoice	112 each
Invoice to Receipt Difference	12%
The difference is greater than the hold level but less than the error level	
E5702 Failed Quantity over Invoice Tolerance Check with Hold	
W5127 Mismatch Created. Invoice will be withheld from Payment	

In the mismatch list this appears as:



Condition = 'Quantity Over Invoice'

Type = 'Hold'

Compared Values - this box clearly shows 112 items on the invoice with only 100 on the PO or the receipt.

Accounts Payable will contact you to establish how many items were delivered.

Solution - where the invoice is correct

If the invoice is correct, i.e. 112 items were delivered and kept, will be asked to:

- Amend the PO quantity for that line.
- Re-approve the order.
- Receipt the additional 12 items.
- Notify Accounts Payable that the necessary alterations are completed.

When Accounts Payable receive the notification the order has been amended they will:

- re-process the invoice.

Solution - where the invoice is incorrect

If the invoice is incorrect, because either:

- only 100 items were delivered.
- or 112 items were delivered, all receipted and then 12 returned for credit.

You should:

- Request a credit note from the supplier for the extra items.



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- Notify Accounts Payable that a credit note has been requested

When Accounts Payable receive the notification a credit note is on the way they will:

- hold the invoice in the mismatch list until the credit note is received.
- process the credit note when it turns up and match it to the invoice.
- re-process the invoice.

4.3.2. Over Invoice Quantity Example 2

Purchase Order	100 each
Receipt	100 each
Invoice	118 each
Invoice to Receipt Difference	18%
The difference is greater than the hold level but less than the error level	
E5702 Failed Quantity over Invoice Tolerance Check with Error	
E5738 Invoice Matching Failed: Invoice XXX	
E5718 Schedule For Payment Failed: Matching Unsuccessful	

The solutions here are the same as for Over Invoice Quantity Example 1 (section 4.3.1) - EXCEPT at the very final stage completed by Accounts Payable.

4.3.3. Over Invoice Quantity Example 3

Purchase Order	100 each
Receipt	100 each
Invoice (1)	30 each
Under Quantities are not checked. The invoice will be paid.	
Invoice (2)	100 each
Invoice to Receipt Difference	30%
The difference is greater than the error level	
E5702 Failed Quantity Over Invoice Tolerance Check With Error	
E5738 Invoice Matching Failed: Invoice XXX	
E5718 Schedule For Payment Failed: Matching Unsuccessful	

This is now the same situation as Over Invoice Quantity Example 2 (section 4.3.2). However, the entry in the mismatch list looks slightly different and the 'matched inv line qty' figure implies there is something wrong with the invoices.

- Choose the **Invoice by PO...** option from the **actions** menu to show more detail. This indicates there is already an invoice for 30 items attached to this PO.



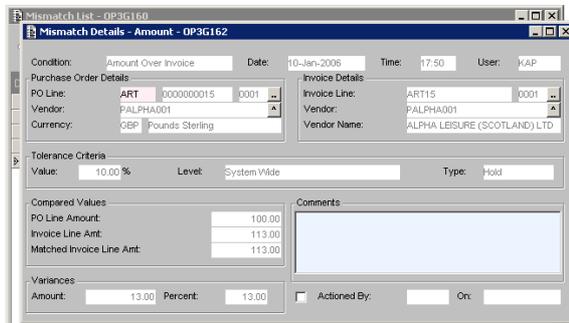
4.4. Over Invoice Amount

4.4.1. Over Invoice Amount – Example 1

Only applies when there is No UOM

Purchase order line value	£100.00
Invoice Line value	£113.00
Line Value Difference	13%
The difference is greater than the hold level but less than the error level	
E5702 Failed Amount Over Invoice Tolerance Check With Hold	
W5127 Mismatch Created, Invoice Will be Withheld From Payment	

In the mismatch list this appears as:



Condition = 'Amount Over Invoice'

Type = 'Hold'

Compared Values – this box clearly shows a PO Line Amount of £100 and an invoice Line Amount of £113.

Accounts Payable will contact you to establish WHY the invoice price differs.

Solution – where you 'guessed' the price

If you 'guessed' the price based on a previous order, you will be asked to:

- Update the PO to reflect the actual price.
- Re-approve the order.
- Notify Accounts Payable that the necessary alterations are completed.

When Accounts Payable receive the notification the order has been amended they will:

- re-process the invoice.

Solution – where a lower price had been pre-agreed

If the supplier agreed to a price of £100 at the time of the order, you will be asked to:

- Ask whoever made this agreement to contact the supplier and request a credit note for the difference.
- Notify Accounts Payable that a credit note has been requested

When Accounts Payable receive the notification a credit note is on the way they will:

- hold the invoice in the mismatch list until the credit note is received.
- process the credit note when it turns up and match it to the invoice.
- re-process the invoice.



4.4.2. Over Invoice Amount - Example 2

Only applies when there is No UOM

Purchase order line value	£100.00
Invoice Line value	£118.00
Line Value Difference	18%
The difference is greater than the hold level but less than the error level	
E5702 Failed Amount Over Invoice Tolerance Check With Error	
E5718 Schedule For Payment Failed	

The solutions here are the same as for Over Invoice Amount - Example 1 (section 4.4.1) - EXCEPT at the final stage completed by Accounts Payable.

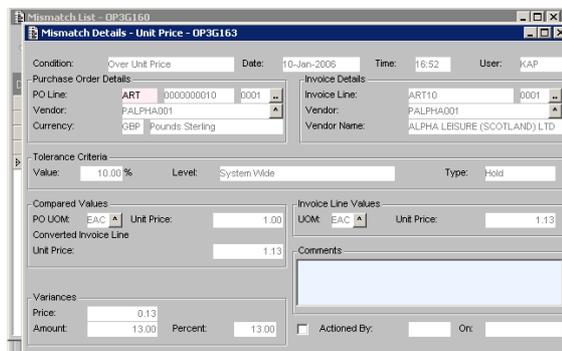
4.5. Over Unit Price and Under Unit Price

Note the 'Under Unit Price' option is set to ignore on the live system so should not arise.

4.5.1. Over Unit Price - Example 1

Purchase order line value	100 @ £1
Invoice Line value	100 @ £1.13
Line Value Difference	13%
The difference is greater than the hold level but less than the error level	
E5702 Failed Over Unit Price Tolerance Check With Hold	
W5127 Mismatch Created, Invoice Will Be Withheld From Payment	

In the mismatch list this appears as:



Condition = 'Over Unit Price'

Type = 'Hold'

Compared Values - this box clearly shows a PO unit price of £1.00 and an invoice unit price of £1.13.

Accounts Payable will contact you to establish WHY the invoice unit price differs.

Solution - where you 'guessed' the unit price

If you 'guessed' the unit price based on a previous order, you will be asked to:

- Update the PO to reflect the actual unit price.
- Re-approve the order.
- Notify Accounts Payable that the necessary alterations are completed.



Departmental Mismatch Procedures

When Accounts Payable receive the notification the order has been amended they will:

- re-process the invoice

Solution – where a lower unit price had been pre-agreed

If the supplier agreed to a unit price of £1.00 at the time of order, you will be asked to:

- Ask whoever made this agreement to contact the supplier and request a credit note for the difference.
- Notify Accounts Payable that a credit note has been requested

When Accounts Payable receive the notification a credit note is on the way they will:

- hold the invoice in the mismatch list until the credit note is received.
- process the credit note when it turns up and match it to the invoice.
- re-process the invoice

4.5.2. Over Unit Price – Example 2

Purchase order line value	100 @ £1
Invoice Line value	100 @ £1.18
Line Value Difference	18%
The difference is greater than the error level	
E5702 Failed Over Unit Price Tolerance Check With Error	
E5718 Schedule For Payment Failed	

The solutions here are the same as for Over Unit Price – Example 1 (section 4.5.1) – EXCEPT at the final stage completed by Accounts Payable.

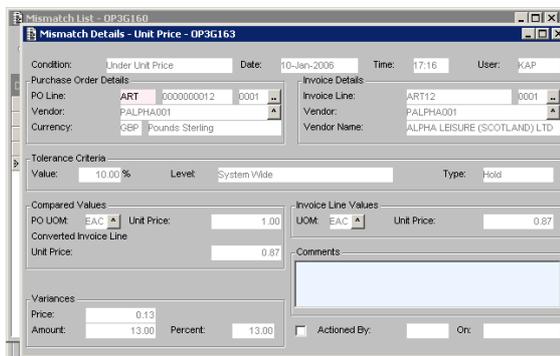


4.5.3. Under Unit Price – Example 1

Please note: the 'Under Unit Price' option is set to ignore on the live system so this situation should not arise.

Purchase order line value	100 @ £1
Invoice Line value	100 @ £0.87
Line Value Difference	13%
The difference is greater than the hold level but less than the error level	
E5702 Failed Under Unit Price Tolerance Check With Hold	
W5127 Mismatch Created, Invoice Will Be Withheld From Payment	

In the mismatch list this appears as:



Condition = 'Under Unit Price'

Type = 'Hold'

Compared Values – this box clearly shows a PO unit price of £1.00 and an invoice unit price of £0.87.

Accounts Payable will contact you to establish WHY the invoice unit price differs.

Solution - where you 'guessed' the price

If you 'guessed' the unit price based on a previous order, you will be asked to:

- Update the PO to reflect the actual unit price.
- Re-approve the order.
- Notify Accounts Payable that the necessary alterations are completed.

When Accounts Payable receive the notification the order has been amended they will:

- re-process the invoice

4.5.4. Under Unit Price – Example 2

Purchase order line value	100 @ £1
Invoice Line value	100 @ £0.80
Line Value Difference	20%
The difference is greater than the error level	
E5702 Failed Under Unit Price Tolerance Check With Error	
E5718 Schedule For Payment Failed	

The solutions here are the same as for



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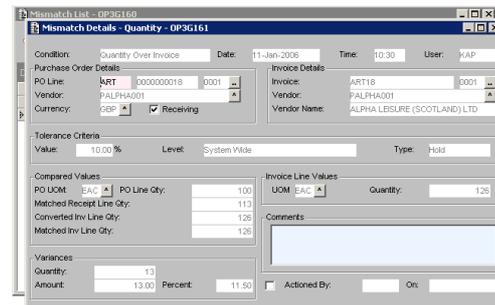
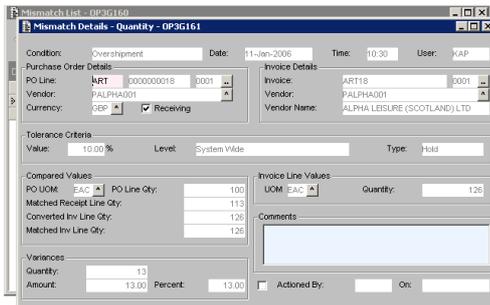
Under Unit Price - Example 1 (section 4.5.3) - EXCEPT at the final stage completed by Accounts Payable.

4.6. Combining Tolerances

4.6.1. Over / Under Shipment with Over Invoice Quantity

Purchase Order	100 each
Receipt	113 each
Invoice	126 each
Receipt to PO Difference	13%
Invoice to Receipt Difference	11.5%
The receipt to PO difference is greater than the warning level but less than the hold level	
The invoice to receipt difference is greater than the warning level but less than the hold level	
E5702 Failed Overshipment Tolerance Check With Hold	
E5702 Failed Quantity Over Invoice Tolerance Check With Hold	
W5127 Mismatch Created, Invoice Will Be Withheld From Payment	

Two lines appear in the mismatch list. In detail, these appear as



Condition = 'Overshipment'
Type = 'Hold'

Condition = 'Quantity Over Invoice'
Type = 'Hold'

Compared Values - in both cases this box clearly show 113 items on the receipt, 100 items on the PO and 126 items on the invoice.

These scenarios have been dealt with individually in Over Shipment Quantity Example 1 (section 4.2.1) and Over Invoice Quantity Example 1 (section 4.3.1), so using previous knowledge this is also solvable.



Solution summary

Accounts Payable will contact you to establish which figure is correct – something is obviously not right. (Refer to previous examples for full details)

Accounts Payable will contact you to establish WHY

- the order is for 100
- the receipt is for 113
- the invoice is for 126

If the PO figure is correct, and the receipt and invoice are wrong, you will be asked to:

- Process a return for credit for the 13 items.
- Request a credit note for 26 items.
- Notify Accounts Payable that the necessary alterations are completed.

If the receipt is correct, and the PO and invoice are wrong, you will be asked to:

Where the extra items you are keeping are full price:

- Amend the PO, changing the quantity to 113
- Re-approve the PO
- Request a credit note for the 13 items.
- Notify Accounts Payable that the necessary alterations are completed and a credit note is on the way.

Where the extra items you are keeping are free, you will be asked to:

- Amend the PO, to add another line for the 13 free of charge items.
- Re-approve the PO
- Process a return for credit for the 13 extra full price items
- Process a receipt for the 13 free items
- Request a credit note for 26 items in the case of free of charge items
- Notify Accounts Payable that the necessary alterations are completed and a credit note is on the way.

If the invoice is correct, and the PO and receipt are wrong, you will be asked to:

- Amend the PO, changing the quantity to 126.
- Re-approve the PO
- Enter an additional receipt for the 13 items not already receipted.
- Notify Accounts Payable that the necessary alterations are completed.

When Accounts Payable receive the notification the order has been amended they will:

- where appropriate, process the credit note and match it to the invoice
- clear the mismatch(es)

Note that the mismatches can be dealt with either together or separately.

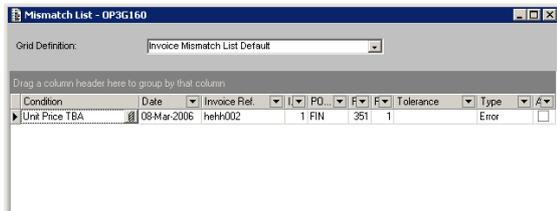
In the case of the receipt being for the correct figure, amending the PO and then rescheduling the invoice will remove the 'Overshipment' condition, but leave the 'Quantity Over Invoice' condition awaiting a credit note. The reverse is true if the 'Quantity Over Invoice' condition is solved first. In either case, the details in the 'compared values' box of the remaining mismatch should change to reflect the cleared mismatch.



4.7. Unit Price TBA

Purchase Order	TBA box ticked
Receipt	received
Invoice	unit price same as PO
E5702 Invoice Failed Unit Price TBA Tolerance Check With Error	
E5738 Invoice Matching Failed	
E5718 Schedule For Payment Failed : Matching Unsuccessful	

This scenario leaves one line in the mismatch list, even though the mismatch is not specifically mentioned in the messages.



- Accounts Payable will contact you and ask whether a price has now been agreed.
- Once the price has been agreed, you will be asked to:
- Amend the original PO, removing the tick from the TBA box on the PO line causing the mismatch as detailed in section 6.2.1 of the document 'Purchase Ordering'.
 - Re-approve the PO
 - Notify Accounts Payable that the necessary alterations are completed.

When Accounts Payable receive the notification the order has been amended they will:

- re-process the invoice