**Queen’s University Belfast**

**Procure-To-Pay (P2P)**



**Training Document**

**Stage 9**

**Invoice Scanning**

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1. Introduction
   1. What is Procure to Pay?

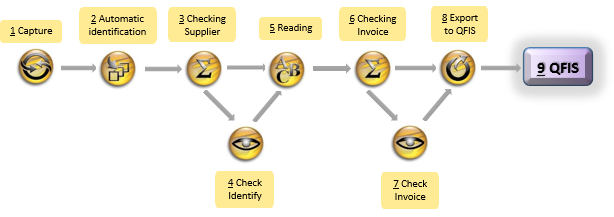
The University’s Finance Directorate has undertaken an ambitious project to enhance its Procure to Pay (P2P) processes.  An internal review of the University’s procure to pay procedures, and the systems and tools associated with these was undertaken by a P2P Working Group and a number of initiatives were proposed as a result.

The purpose of the project is to deliver a robust end-to-end P2P process and sub-processes with appropriate changes in University Policies and Procedures to ensure the process operates effectively and efficiently; underpinned by various software packages configured to deliver automation of the process, where appropriate, in a secure and auditable manner; plus improved Management Information and KPI reporting across the process.

* 1. Benefits of Procure to Pay
* Less Paper:
  + Supplier invoices will be sent directly to the Payments Office and will no longer circulated around the university.
  + Purchase orders will be created on line and no longer need to be printed and posted to suppliers.
* Less Data Entry:
  + As the P2P process allows for invoices to be scanned, the data on the documents is automatically read and imported to Qfis.
* Greater Visability:
  + The process can be tracked at all times to establish it’s progress.
  + All scanned documents can be retrieved and viewed on Qfis at any time.
* Greater Accuracy:
  + As supplier invoices are scanned they no longer need to be manually registered and processed, reducing the chance of errors.
  1. Changes to the Current Process
* Creating Orders:
  + Before – purchase orders were raised manually, physically signed by the responsible parties, then posted to the relevant supplier.
  + Now – purchase orders will be raised via Qfis, electronic approve by the responsible parties, then emailed to the relevant supplier.
* Receipt of Good/Services:
  + Before – no formal procedure existed for the acknowledging receipt of goods or services.
  + Now - receipt of goods and services is required before an invoice can be approved for payment.
* Receipt of Invoices:
  + Before - invoices were sent to the school or directorate which raised the order.
  + Now – all invoices will be sent directly to the Payments Office.
* Processing of Invoices:
  + Before – invoices were registered by the schools or directorate, approved with a signature and posted to the payments office to process manually.
  + Now – invoices will be scanned, interfaced to Qfis, checked and paid automatically.
  1. End to End P2P Process Map



* 1. End to End Scanning Process Map



|  |  |  |  |
| --- | --- | --- | --- |
| 1 |  | Capture | Invoices are scanned and an electronic copy is held within iTESOFT. |
| 2 |  | Automatic ID | The process will attempt to identify the supplier. |
| 3 |  | Checking Supplier | The process will confirm the supplier. |
| 4 |  | Check Identify | iTESOFT will present an invoice for manual supplier validation when the supplier is unidentifiable. This can be for various reasons; i) no supplier is found, ii) several possible suppliers have been found, iii) the supplier is identified but not previously known. |
| 5 |  | Reading | The process will decipher the data shown on the invoice. |
| 6 |  | Checking Invoice | The process will confirm the invoice details. |
| 7 |  | Check Invoice | iTESOFT will present an invoice for validation when some information on the invoice is unidentifiable. This can be for various reasons; i) the required information was not found, ii) the read data is inconsistent e.g. net amount plus VAT does not equal gross amount. The document will not export in to QFIS until errors are addressed. |
| 8 |  | Export to QFIS | When all stages have been achieved successfully the invoice is transferred to QFIS. |
| 9 | **QFIS** | QFIS | The invoice is assigned a registration transaction number. |

1. Prepare Invoices
   1. Sort Invoices into Batches

Invoices should be separated into the following categories and scanned in as batches:

**With orders**

* Invoices
* Foreign currency invoices
* Credit notes

**Without orders**

* Invoices
* Foreign currency invoices
* Credit notes

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Inbox No.** | **Category** | **Scan Mode** | **Batch Type** | **Capture Option** |
| 1 | With Order | Front only | Single page | Fixed no. of sheets, without attachments |
| 2 | Multi page | Variable number of pages, with separator or Single-Multi sheet. |
| 3 | Invoices with attachments | Variable no. of pages, with separator |
| 4 | Front & back | Multi page | Variable number of pages, with separator or Single-Multi sheet. |
| 5 | Without Order | Front only | Single page | Fixed no. of sheets, without attachments |
| 6 | Multi page | Variable number of pages, with separator or Single-Multi sheet. |
| 7 | Invoices with attachments | Variable no. of pages, with separator |
| 8 | Front & back | Multi page | Variable number of pages, with separator or Single-Multi sheet. |

Each batch will be electronically stamped with a unique reference known as a batch identifier e.g. 20150520\_0003.

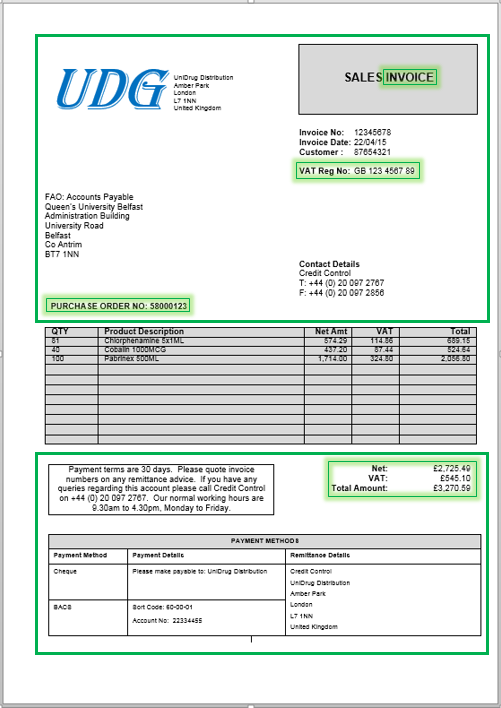
The batch identifier is made up of the date the batch is scanned followed by a reference to the number of batches received and scanned that day. In addition invoices within each batch will be given an incremental control number which will be brandished on the top left corner of the invoice image.

**NB: Invoices should always be scanned on the date they are received.**

* 1. Prepare Invoices for Scanning
* Do not date stamp when receiving mail – Business Process TBC
  + Risk of covering data to be read
  + The date stamp will not be read by iTESOFT
  + The date stamp is never placed in exactly the same spot
* Remove staples, paper clips, perforated strips.
  + Risk of damaging scanner
  + Risk of missing a page
* Photocopy pages that are too thin, wrinkled or torn.
  + Risk of jamming
  + Risk of damaging document
  1. How is an invoice matched?

When extracting the information from the supplier invoice, iTESOFT views the invoice in three distinct sections; header, body and footer. At this time the process will only look at the detail within the header and the footer of the scanned invoice.

This means that the invoice will not be matched based on the line by line detail of the invoice, but on other key fields, in particular, the VAT registration number of the supplier.



Header

* VAT Reg.
* Doc type
* Doc date
* Order no.
* Invoice no.

Body

* Not being reviewed

Footer

* Currency
* Amount (excl. tax)
* Tax Rate
* Amount (inc. tax)

1. Processing Invoices
   1. Invoice Scanning Process Map



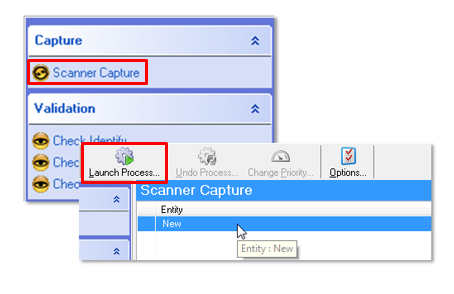
|  |  |
| --- | --- |
| LAUNCH MODULE | |
| Scanner Capture | Process which scans the hardcopy invoice in to iTESOFT |
| Check Identify | Process to validate supplier information. |
| Check | Process to validate invoice information. |

|  |  |
| --- | --- |
| SUPERVISE MODULE | |
| Track Batch | Process which tracks invoice batches from the time they are scanned to the point of being exported to Qfis. |
|  |  |
|  |  |

* 1. Scan Invoices
* Place invoice batch in the scanner, **face up**.
* From your desktop run the Launch module 

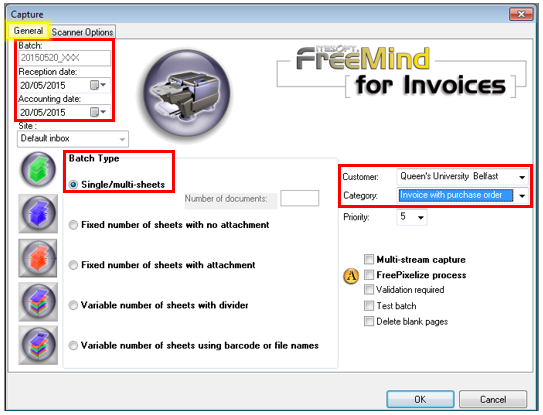


* In the Launch module, click on ‘Scanner Capture’.
* From the tool bar, click on ‘Launch Process’. 

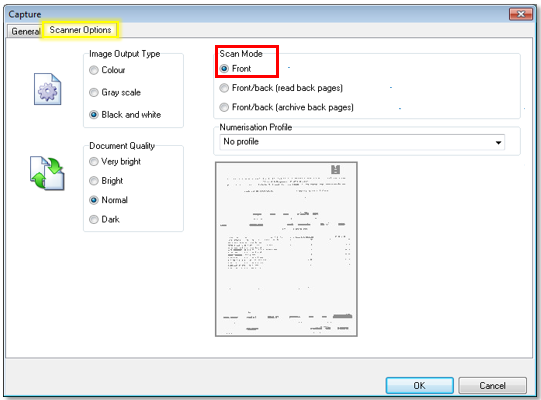


SECTION TO BE REPLACED

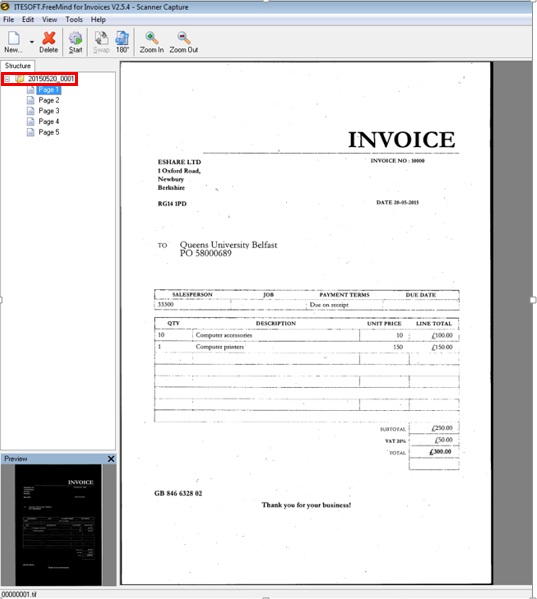
* The Capture screen has two tabs:
  + General
  + Scanner Options
* On the **General** tab properties are pre-populated:
  + Batch – this field is the unique reference relating to this batch and cannot be edited.
  + Received date - this will default to today’s system date.
  + Accounting date - this will default to today’s system date.
  + Batch type – this will default to ‘Single/muti-sheets’. Other input combinations can be selected by the Payments Office clerk in accordance with the table on page 6.
  + Customer – this should always be ‘Queen’s University Belfast’.
  + Category – this will vary depending on the type of batch you are scanning.



* On the Scanner Options tab, choose the scan mode. These options are pre-defined and should not be changed without consultation:
  + Scan mode – the standard default is ‘Front’ but other options may be set as appropriate.
  + Image Output Type – this will default to ‘Black and white’ but can be set to other options as required.
* Click ‘OK’ to scan documents.



* On the Scanner Capture Screen:
  + The invoice batch will automatically feed through the scanner for capture.
  + Once scanning is complete the batch can be viewed on screen. It is advisible to do a quick quality check at this stage of the process and delete invoices from the batch that are poor quality or illegible.



* Close Capture down when finished checking as this enables another team member to start scanning a new batch.
  1. Manual Supplier Checking
     1. What is Supplier Checking?

iTESOFT is intelligent technology meaning it learns to recognise the invoices and suppliers being scanned in to it and, over time, will become highly efficient at processing suppliers commonly used by the University. In instances where iTESOFT is not familiar with the supplier invoice, because it is either a new supplier to the University or is being scanned for the first time, supplier checking is required.

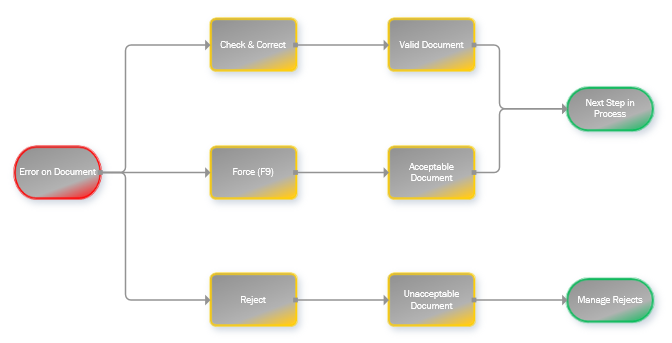
Once a batch of invoices has been captured by iTESOFT, it will attempt to identify the supplier from the invoice details. In the event that the supplier cannot be identified, the batch will be presented for supplier checking.

* + 1. When does Supplier Checking occur?

This may happen when;

* No supplier is found on the invoice.
* A supplier is identified but several possible suppliers are available.
* A supplier is identified but not known i.e. a new supplier or being scanned for the first time.
  + 1. What action is required when Supplier Checking occurs?

The general principles of manual supplier checking are shown below:



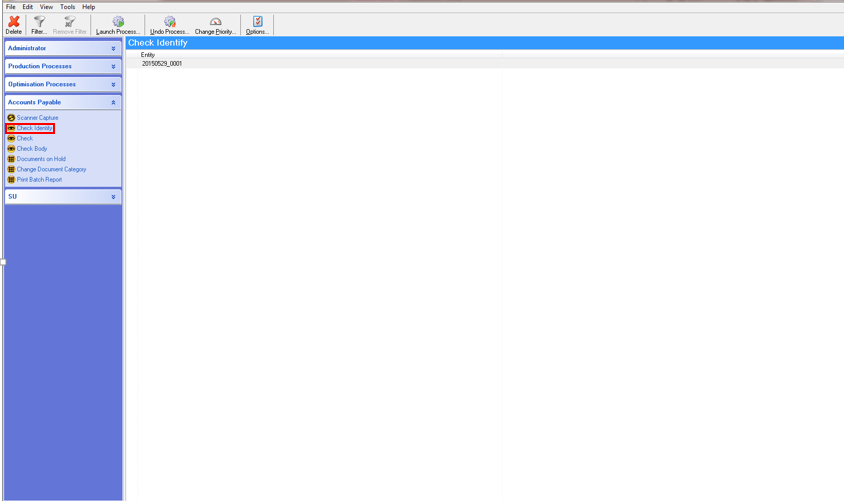
Any invoice which requires supplier checking needs to be reviewed individually by the processor, who will then be required to instruct iTESOFT which invoice fields to read data from.

**NB:** You will be asked to **‘Check Identify’** if a new supplier invoice has been scanned. You will be asked to **‘Check’** if there is information on the supplier invoice which is missing or cannot be identified.

* + 1. Accessing Batches to be Checked
* Run the Launch module 



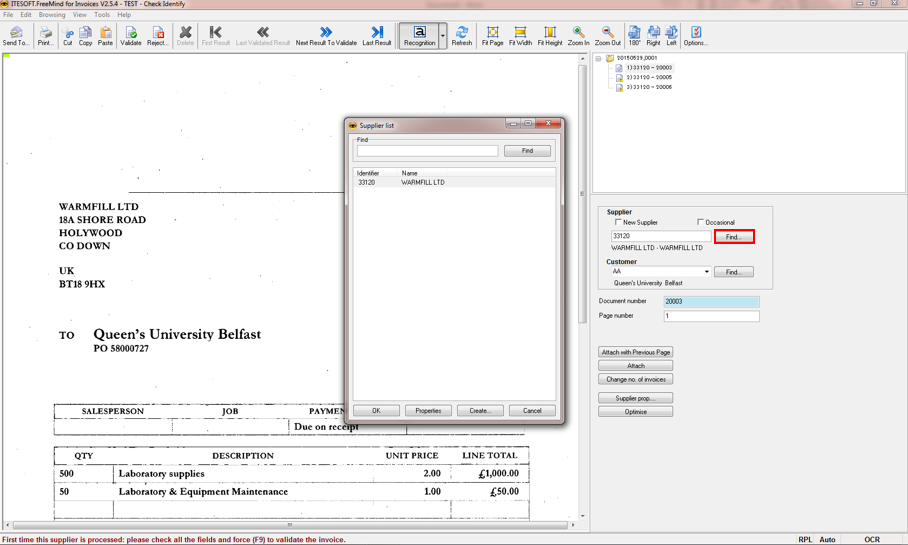
* Click on the ‘Check Identify’ function
* Double click on a batch to begin check.



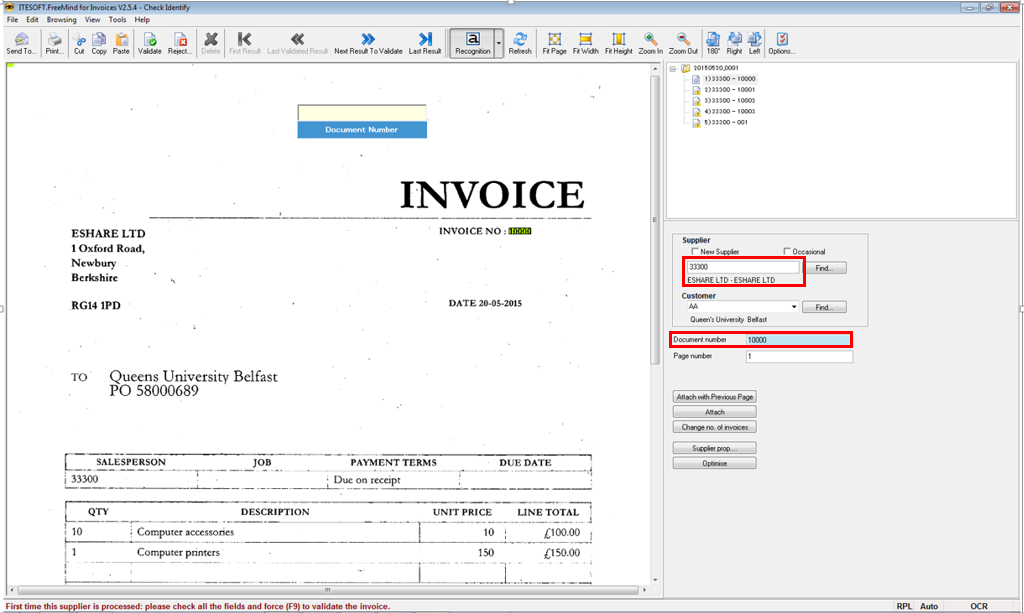
* + 1. Checking a New Supplier

If it is the first occurrence of iTESOFT reading an invoice, the invoice will stop at the Launch/Check Identify stage to determine if the correct supplier has been selected.

* If the incorrect supplier has been selected by iTESOFT, use the ‘Find’ button to manually search for the correct supplier. Once selected, hit the F9 key to force validation of the invoice.

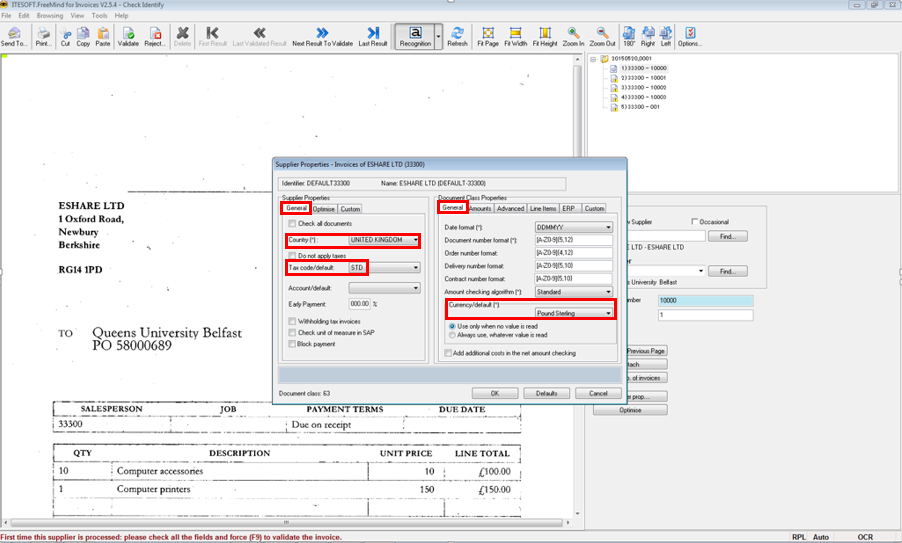


* If the supplier is not previously known to iTESOFT:
  + Check Qfis to ensure the supplier is set up within Supplier Masterfile. If not, ask for the supplier to be created. NB: As VAT registration is used as one of the key identifiers in iTESOFT it is important to mirror in Qfis, the VAT registration format as it is shown on the supplier invoice.
  + In iTESOFT on the ‘Check Identify’ screen, select ‘New Supplier’
  + Fill in the supplier’s VAT ID and force it through (F9). Need more info.



* The Supplier Properties window will be displayed. This is an opportunity to preset some key information about the supplier and will be regarded as the expected parameters for the invoice. In the event that the invoice differs from these settings, it will require manual validation. You will only be asked to do this on the first occurrence of a supplier invoice being scanned.
  + Ensure that country is set to reflect the main address as shown on the invoice.
  + Ensure that tax code default is set to standard.
  + Ensure that currency is set to reflect the currency generally used by the supplier.

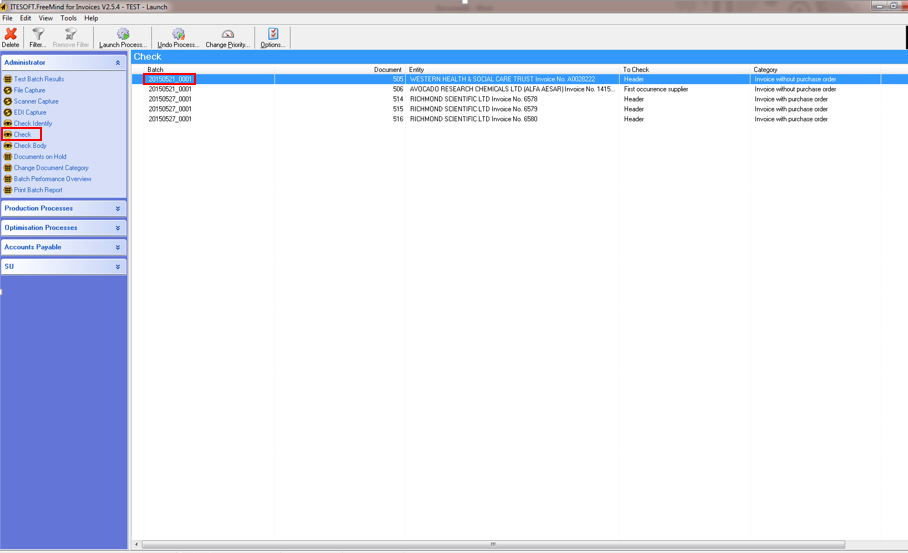
NB: This function is for information only and will only be required in exceptional circumstances.



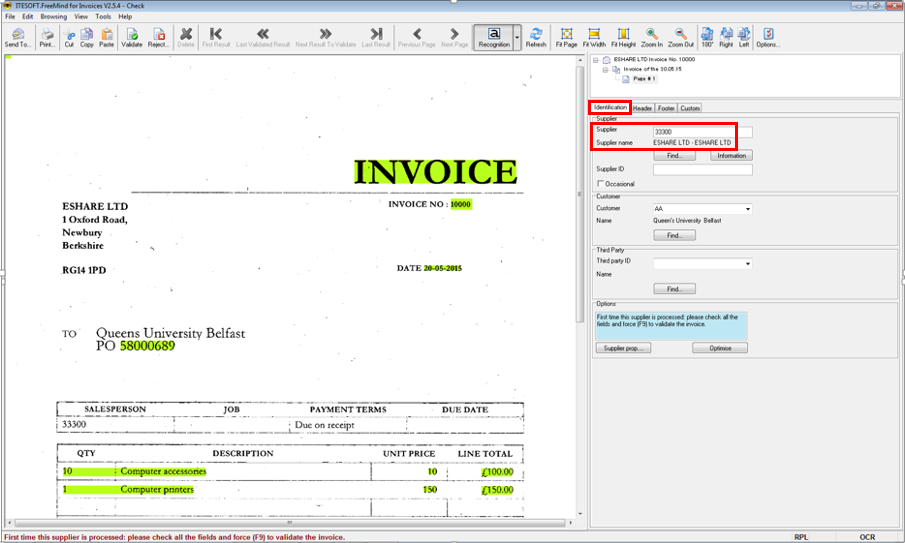
* In the Document Class Properties section of the window, click on the ‘ERP’ tab. Click option ‘Export without order items’. This ensures that iTESOFT will only read the header and footer of the invoice and not the body, for this supplier.

NEW SCREENSHOT OF ERP TAB

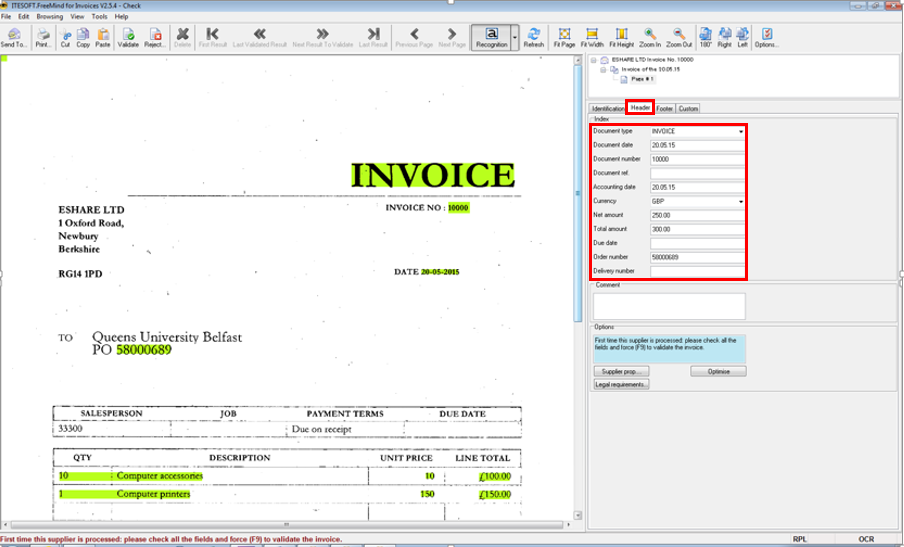
* Now go the Check option in the Launch software, as it’s a first occurrence supplier. It’s now checking the invoice details. Now look at all the tabs and make any changes if required. Next F9 to force validation. Need more info.
* In the Check function, select the batch ID you wish to review.



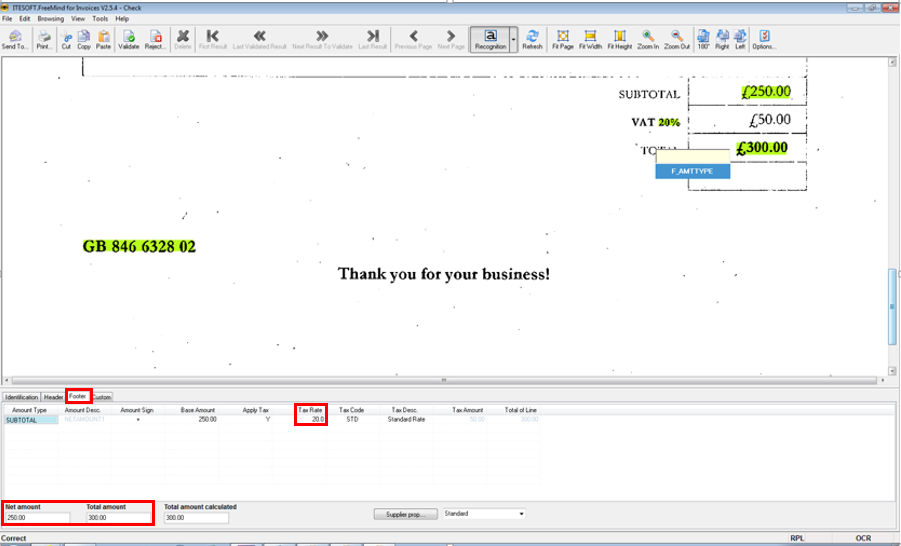
* On the Identification tab, confirm that the supplier ID and name are correct.



* On the Header tab, confirm that all the appropriate fields are being picked up correctly.



* On the Footer tab, confirm that the amounts fields are being picked up correctly.



* Do you press F9 to force the invoice back in to the process???
  + 1. Checking for Missing Data

iTESOFT applies all the controls needed to guarantee the accuracy of extracted information and as a result there is no need to systematically check all data as this has been done automatically. To that end, iTESOFT will not allow an invoice to move forward in the process with missing or incorrect data.

* An invoice will be flagged for a validation check by iTESOFT if:
  + The required information was not found on the document e.g. invoice number, document type.
  + The data is inconsistent with supplier properties e.g. normally charged in GBP but invoice received in USD.
  + The data is inaccurate e.g. net amount plus VAT does not equal the gross amount on the invoice.

Need screenshots to show how errors are identified and how to action changes.

* + 1. Rejecting a Scanned Invoice

You have the option to block an invoice from being exported to Qfis. This may be for various reasons such as a duplicate invoice or no supplier ID identified.

* Press F3 in ‘Check’ and select a reason for rejection – Need screenshots
* You can also abort a document in progress by pressing the escapre key on your keyboard.

Screenshots

You may be required to carry out a follow on action, depending on the reason for rejecting the invoice:

* Illegible Document – Re-scan the document with different scanner settings.
* Duplicate – This means the document has already been processed and, once rejected, no further action is required.
* Data Problem to Investigate – This means there is missing or erroneous information on the invoice and, once rejected, should be returned to the supplier.
* Invalid Document – As above.
* Structure Problem - ????
* Other – If your reason for rejecting the invoice does not fall in to one of the above reasons, you should select other. You will then be required to give details of your rejection reason.  
  + 1. Archiving Paper Batches

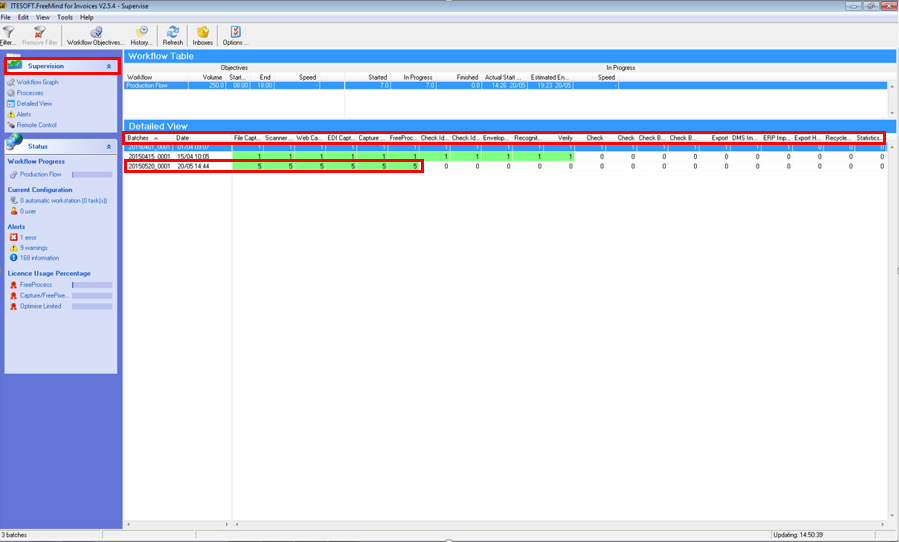
Section to be added detailing how hardcopy invoices should be managed.

iTESOFT suggests:

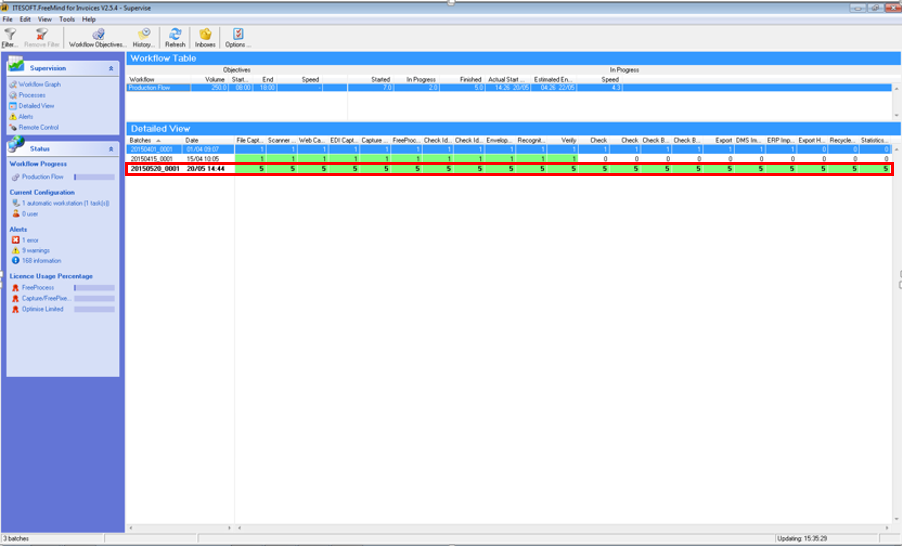
* Place the scanned documents in to a file folder
* Staple the batch report to the front cover of the file folder
* Store the file folder in chronological order
  1. Batch Process Overview (Supervise Module)

Within the Supervise module you have the ability to review and track the scanning process to help you identify how your batch is progressing and if/where it has fallen over.

The process has 21 steps to complete and ideally all invoices in your batch will progress through each step without the need for manual intervention.

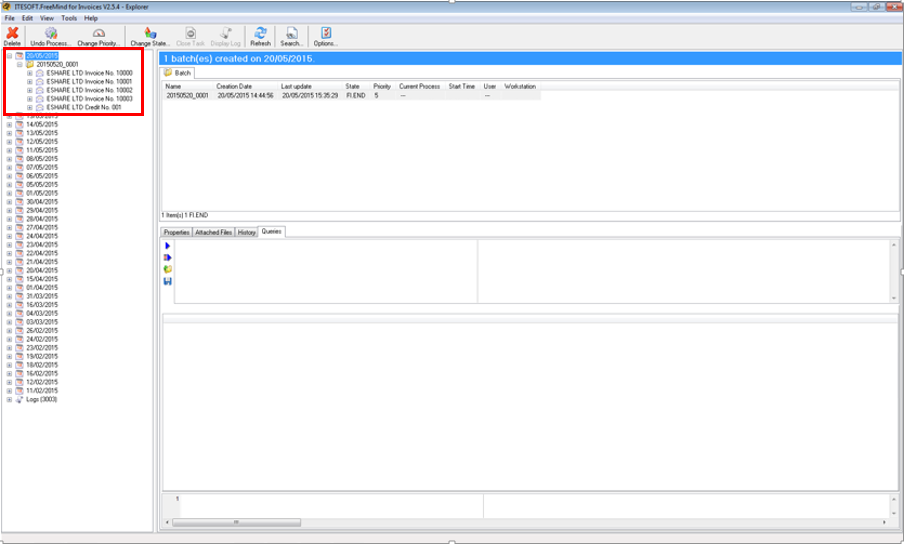


Your batch is complete when all fields have changed from white to green and show the total number of invoices scanned. In the event that an invoice within your batch cannot proceed due to validation issues, the remainder of the batch will continue through the process

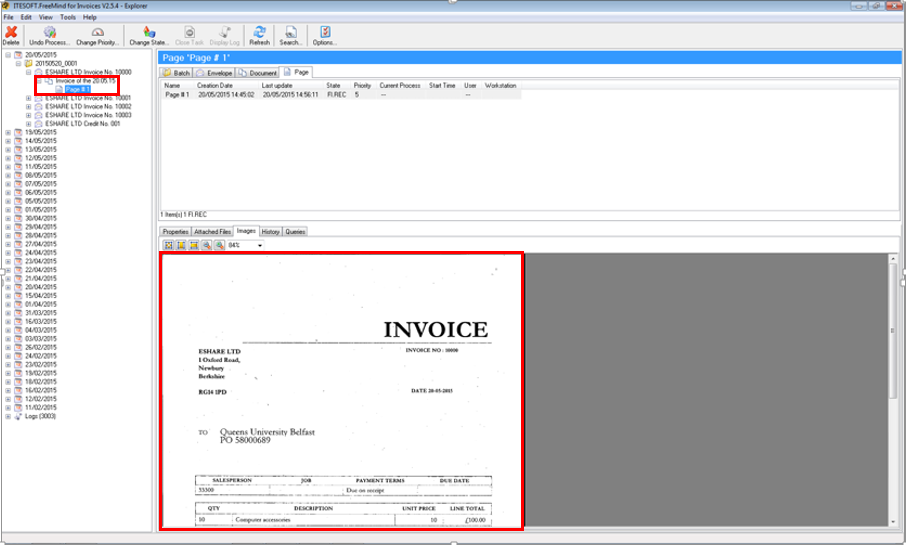


* 1. Directory of Scanned Invoices (Explorer Module)

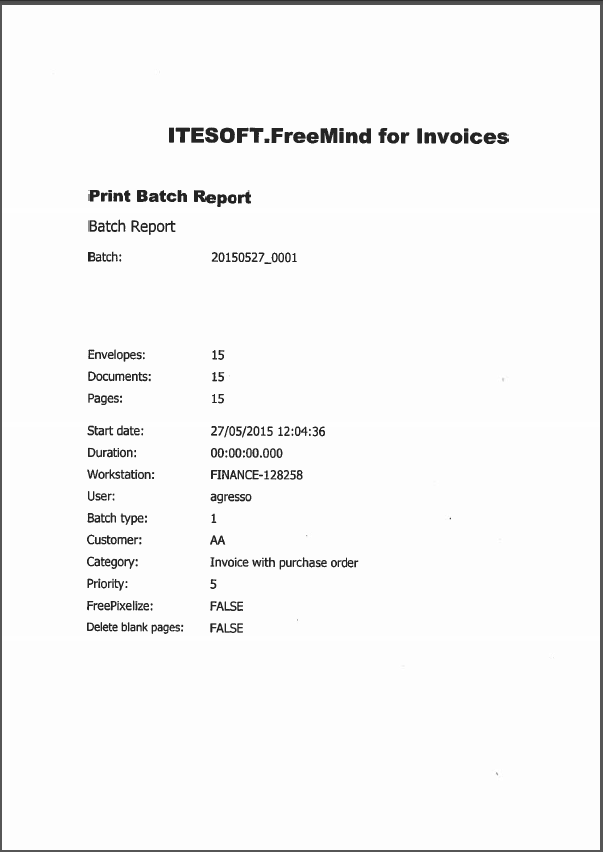
Within the Explorer module you have the ability to review batches which have already completed the scanning process



Batches will appear by date, showing newest at the top of the list. You can drill down on the date to view batches and invoices within the batch.



The batch report should be printed and…. Business process to be defined.



1. FAQ’s
   1. What way do I place the paper in the scanner?

Invoices should always be placed in the scanner face up.

* 1. How often do batches interface to Qfis?

Currently every 20 minutes.

* 1. Can a batch be deleted from Qfis once it has interfaced?

No???

* 1. Can I view a batch once it has been scanned?

Once an invoice has been scanned successfully it will be interfaced to Qfis and assigned a transaction number. These transactions can be viewed on the general ledger. NB: Registered invoices will show with a transaction type of IR (invoice registered) and invoices which have been approved for payment will show with a transaction type of IM (invoice matched).

* 1. Can a supplier invoice multiple Purchase Orders on a single invoice?

No, for P2P to be able to match and subsequently pay an invoice, the supplier invoice must relate to one specific Purchase Order.

1. Glossary

|  |  |
| --- | --- |
| **Term** | **Description** |
| 3 Way Match | This is where an invoice has been successfully match with a purchase order and goods receipt note, allowing invoice processing to be achieved automatically. |
| Batch | A batch refers to a group of supplier invoices which have a common element e.g. same supplier, same currency, and have been scanned collectively. |
| Batch Identifier | The batch identifier refers to the system generated reference assigned to a scanned batch. The numbering convention will be the scanning date followed by the number of batches that day e.g. 20150520\_0010 |
| Capture | This refers to the step in the process where the system scans the hardcopy invoice, extracts the data and converts it to an on line invoice. |
| Check | Check is a function within the Launch Module of iTESOFT. This process validates the information shown on the scanned invoice, such as invoice number, purchase order number and value. You will be asked to check if there is missing or unidentifiable information shown on the supplier invoice. |
| Check Identity | Check Identity is a function within the Launch Module of iTESOFT and is used during the Invoice Scanning and Processing procedure. This process validates the supplier information shown on the scanned invoice, such as supplier name, supplier post code and supplier VAT registration. You will be asked to Check Identify if an invoice from a new supplier has been scanned or the supplier is unidentifiable. |
| FMFI | Free Mind For Invoices – this refers to the function within iTESOFT which scans and reads invoices. |
| Footer | This refers to the bottom section of a document which normally contains key information regarding the payment such as net amount, VAT rate, gross amount. This information is used during the scanning process to match the invoice to the purchase order and goods received note. |
| Header | This refers to the top section of a document which normally contains key information regarding the supplier such as their name, address, telephone number, VAT registration. This information is used during the scanning process to determine the appropriate supplier account. |
| iTESoft | This refers to the software used to scan invoices and interface in to Qfis. |
| Scanner Capture | Scanner Capture is a function within the Launch Module of iTESOFT and is used during the Invoice Scanning and Processing procedure. This process scans the hardcopy invoice in to iTESOFT. |
| Track Batch | Track Batch is a function within the Supervise Module of iTESOFT. This is a process which tracks invoice batches from the time they are scanned to the point of being exported to Qfis. |
| Qfis | Queen’s Financial Information System |
| Validate/Validating | This refers to the stage in the process where invoice data requires manual review by the user as the automatic verification step has been unable to complete the task. |
| Verify/Verifying | This refers to the stage in the process where invoice data is automatically checked and confirmed. |
| Workflow | A workflow is a series of tasks required to complete a task. |
|  |  |
|  |  |