



Product bulletin

Has anyone seen that purchase invoice?

Introduction

Cash flow is crucial for any business and therefore the control of business expenditure is a major contributory factor to its success. Many large businesses have a dedicated purchasing team with buyers facilitating the best rates and costs for services and products that are instrumental to their operations. Typically, there are often labour intensive processes involved in the administration of the purchase to pay process. As well as increasing costs, the bottlenecks that are within the process result in delays in payment, impacting on the payment terms a supplier is willing to offer. In the worst case scenario, important goods and services could be withheld until the payment is made.

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A typical example of process inefficiency is the purchase invoice authorisation process. This problem gets more significant as a business becomes more dispersed, geographically in terms of a branch network or departmentally within a single location. This impacts businesses both small and large, with a purchase invoice document being received via the post, and subsequently physically distributed to the far corners of the business to be authorised. This process is often via the mysteries of the internal mail system, or simply placed in the unsuspecting individuals in-trays, or even hidden amongst the large pile of documents that may sometimes appear on all our desks. The supplier chases payment from the accounts payable team, who then subsequently begin the chase to locate the authorised, or not, purchase invoice, even if the details have been recorded in the accounting system.

Subsequent requests to view a historical purchase invoice document result in a trawl through many box files, taking up much needed space within the office. The most efficient office has each box annotated with the year and period of purchase invoices enclosed, or even better, an index by supplier to assist the tracking down of the document. Regardless, this is a manual, time consuming exercise, not to mention the costs of storage.

The solution

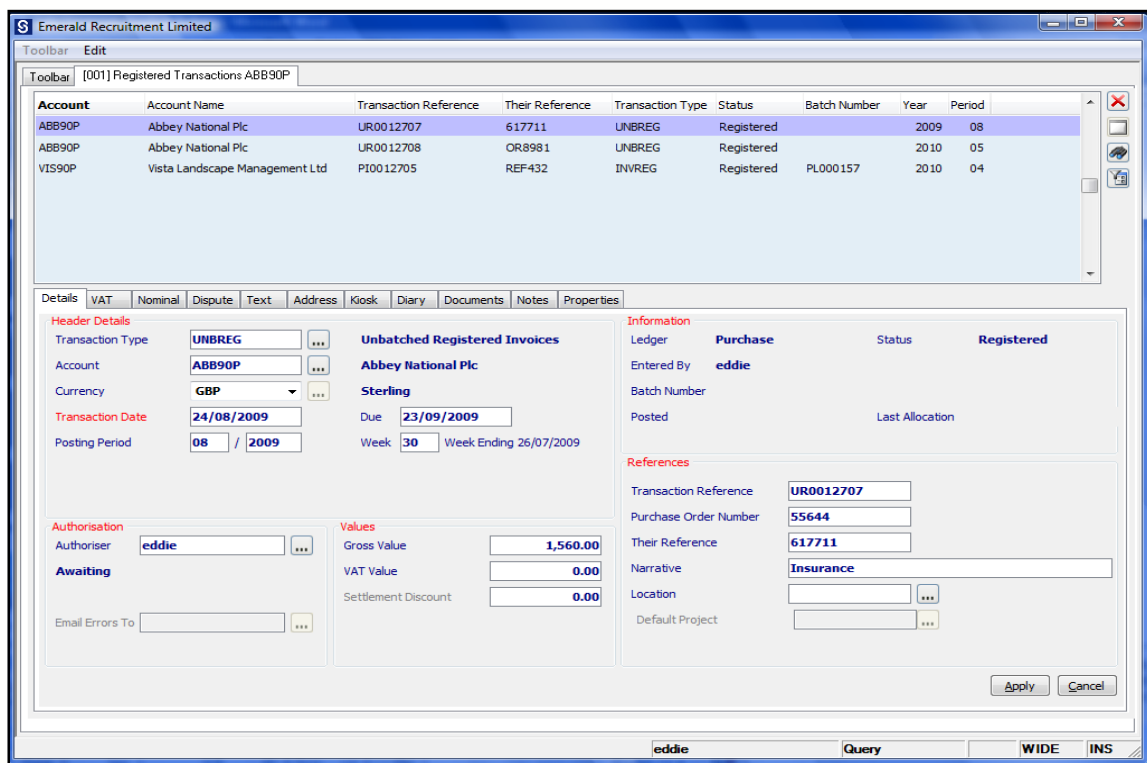
Is a simple three step process with Safe Financials.

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Register the purchase

The purchase register provides a means of recording the headline details of a purchase invoice against a supplier, without impacting on the accounts. Optionally an accrual may be generated to acknowledge the registered items in the accounts. If the invoice does not require a formal authorisation process, for example if it matches the expectations of a receipted purchase order, it may be moved directly onto the suppliers account.

The system will then generate a bar code using the account code and transaction reference as an index, which will in turn be stuck onto the physical invoice.



The screenshot displays the 'Registered Transactions' window for 'Abbey National Plc' (Account ABB90P). The table below shows the registered transactions:

Account	Account Name	Transaction Reference	Their Reference	Transaction Type	Status	Batch Number	Year	Period
ABB90P	Abbey National Plc	UR0012707	617711	UNBREG	Registered		2009	08
ABB90P	Abbey National Plc	UR0012708	OR8981	UNBREG	Registered		2010	05
VIS90P	Vista Landscape Management Ltd	PI0012705	REF432	INVREG	Registered	PL000157	2010	04

The 'Details' window for the selected transaction (UR0012707) shows the following information:

- Header Details:** Transaction Type: UNBREG, Account: ABB90P, Currency: GBP, Transaction Date: 24/08/2009, Posting Period: 08 / 2009, Week: 30, Week Ending: 26/07/2009.
- Information:** Ledger: Purchase, Status: Registered, Entered By: eddie, Batch Number: 55644, Posted: Last Allocation.
- References:** Transaction Reference: UR0012707, Purchase Order Number: 55644, Their Reference: 617711, Narrative: Insurance.
- Values:** Gross Value: 1,560.00, VAT Value: 0.00, Settlement Discount: 0.00.
- Authorisation:** Authoriser: eddie, Status: Awaiting.

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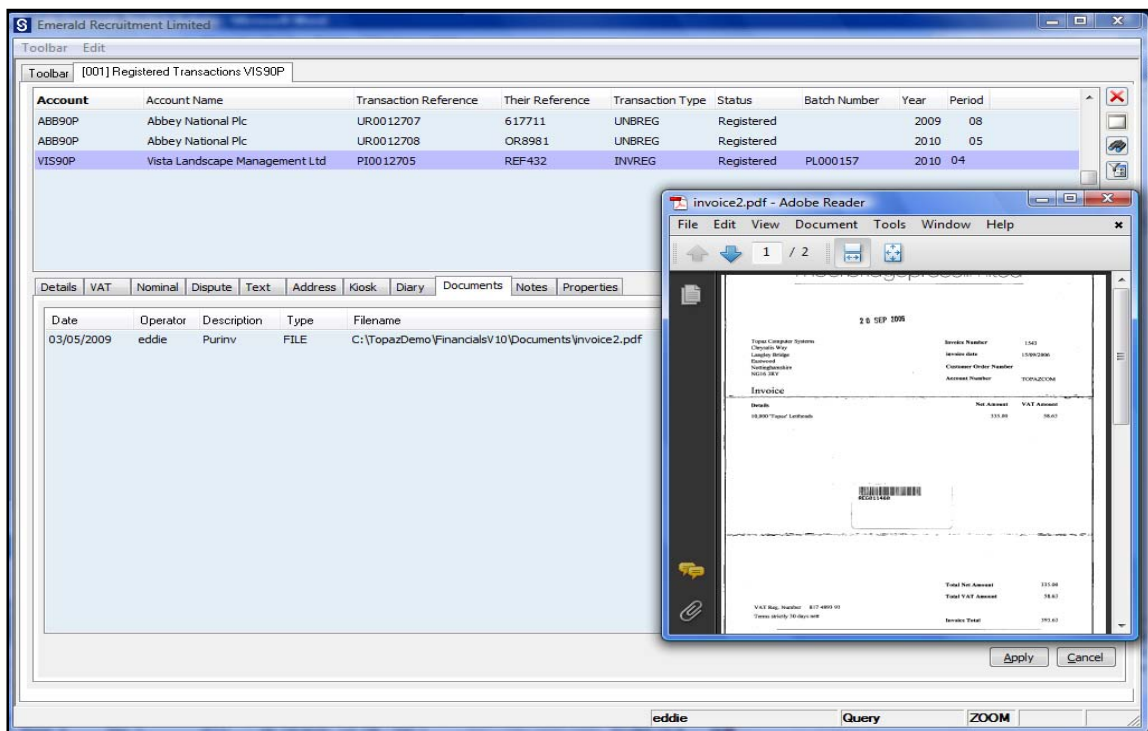
Scan and archive

Once a number of purchase invoices have been keyed into the register, and bar codes applied, they may then be electronically captured using a scanner and Kofax, which is an integrated third party product. The resulting image is stored with the financials database and linked to the purchase invoice transaction. This image may then be viewed as required, by accessing the documents tab against the transaction.

If the purchase invoice requires authorisation, the defined rules, based on the value of the purchase invoice, will identify the person responsible, and an email will be sent to alert them that they have an outstanding item to authorise.

Authorise

The authorisation may occur in a number of ways, namely via the authorisation kiosk, within the web portal, or via email. An authorisation kiosk may be created for each user, and upon initial login the user will be advised that they have items outstanding. Within the kiosk, the user may not only view the purchase invoice documents, but also the scanned image, prior to authorising or rejecting the request. Authorisation via the portal is of a similar nature. Non users of either





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the application or the portal are not left out of this process. Upon receipt of an email requesting authorisation, the recipient may view the image attached to the email and simply reply with the words 'approve' or 'reject' added to the subject line. The application will then automatically pick this up, and take the appropriate action. An approved purchase invoice will then pass from the purchase register to the supplier account in question, and be available for payment subject to payment terms and a payment run.

Any authorisations that are overlooked are reminded by email – no longer can that purchase invoice disappear into the depths of the business only to be found when the supplier queries it or worse still stops delivery of future products or services.

Safe Financials purchase ledger and purchase order processing modules contain lots more functionality to manage the out going cash within a business more effectively. Just ask us for further details, simply go to www.safe-financials.co.uk and fill in the 'enquire online' short form.