# Accounts Payable

## What is Themis Financials?

Themis Financials forms part of the integrated administration system used by the University of Melbourne. Themis Financials is comprised of individual modules, which interact with the University's General Ledger database to provide accounting, reporting and financial management functions.

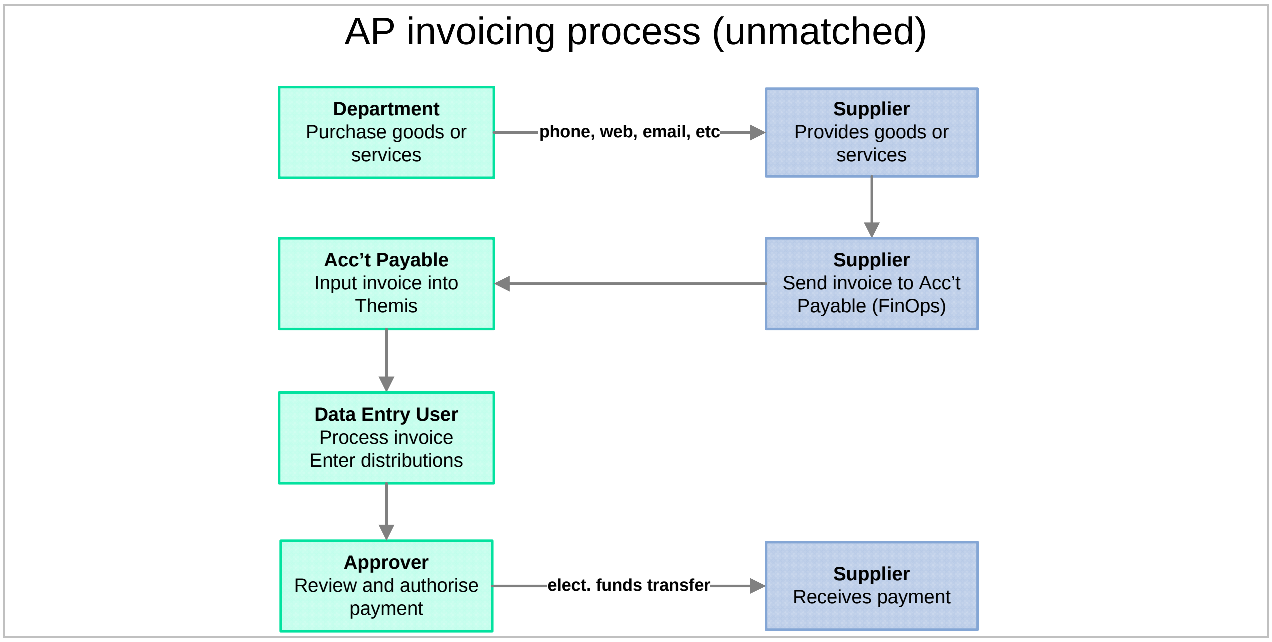
## Themis Financials – accounts payable

The Accounts Payable module deals with the payment of accounts. Accounts payable allows the user to:

- share supplier information with the Themis Purchasing module;
- enter invoices from suppliers;
- match invoices with purchase orders;
- generate cheques for suppliers.

Accounts payables deals with money that is owed to a supplier, but has not yet been paid (i.e.: a form of debt). When a University department orders goods or services from an external supplier they receive an invoice. This invoice is administered both by the department and the Accounts Payable section of Financial Operations.

The accounts payable concept works as a form of credit that suppliers offer purchasers by allowing them to pay for goods and services after they have been received.




## What is imaging?

Imaging is the process where invoices requiring payment are scanned and the image of the invoice is created and imported into Themis (by Accounts Payable staff) for departmental processing. Departments are responsible for:

- checking the details/accuracy of the imaged invoice;
- entering the account string (distributions); and
- approving the invoice for payment.

## Invoices requiring payment approval

There are two types of invoice that a financial approver will be required to action:

- An unmatched payables invoice for goods and services that have not required a purchase order (e.g.: for goods ordered over the phone).
- A PO matched invoice (one that is matched to a previously approved purchase order) and that has a price or quantity ordered variance on the invoice that results in an increased cost of greater than 10%.

## Matched PO invoices not requiring payment approval

A PO Matched invoice (one that is matched to a previously approved purchase order) that has no price or quantity ordered variance does not require approval during the Accounts Payable stage. Payment and account details have already been approved, allocated and assigned a distribution during the purchase order process.

## Unmatched payables invoices

Invoices for goods/services that have not originated from a purchase order are known as *unmatched invoices*. Usually suppliers will mail their invoices directly to Accounts Payable. If a department receives an invoice, it must be stamped with the department and location numbers and dated by the department, and sent to Accounts Payable to be imaged (scanned) and input into Themis.

Once the invoice has been input into Themis it can be accessed via the *Departmental Images for Processing* folder in the Invoice Entry screen. The departmental data entry officer must check the invoice details (does the quantity and price match the goods/services delivered) and provide account details (distribution). The invoice must be sent to the designated Finance Approver for payment approval.

Refer to the *Processing an accounts payable invoice* reference cards for further details http://www.themis.unimelb.edu.au/resources/RC_Process_Payables_Invoice.pdf.

## Approving invoice payments

An approver can approve or reject requests for payment.

If the invoice is *approved*, this is the end of the departmental processing. The invoice is available for payment and will be paid as per the payment terms set up against the supplier.

If the invoice is *rejected*, it will require additional follow up by the departmental data entry person, or Accounts Payable.

Before approving the invoice, the Authorising Officer should check that:

- the goods or services have been received;
- the charge account distribution is correct;
- the GST has been calculated correctly; and
- the goods/services purchased are in accordance with University policy.

## What is goods receipting?

Goods receipting is performed when goods have been received from the supplier. Receipting is only required for the purchase of assets.

If the delivered goods have met the specified requirements, the invoice must be matched against the purchase order in Themis, and a goods receipt must be created. This process, also known as three-way-matching, is the process by which assets are recorded in the assets register. **Note:** each asset must have its own goods receipt.

For further details refer to the *Receipting the purchase of an asset in Themis* reference card.

## Petty Cash process

Petty Cash reimbursements are entered directly into the Invoice Entry screen using the Supplier value *Petty Cash*.

The Themis Department Data Entry officer is responsible for:

- reconciling petty cash; and
- entering petty cash expenses in Themis.

The Themis Approver is responsible for:

- authorising/approving petty cash reconciliation; and
- ensuring that all petty cash expenses comply with policy.

The Cashier is responsible for:

- ensuring the petty cash reconciliation form has been approved;
- releasing the hold from the claim; and
- providing the reimbursement to the value of the claim

The Petty Cash form is located on the forms section of the Financial Operations website (http://www.unimelb.edu.au/finops/).

**Important:** The Petty Cash Reimbursement Form must be completed and taken to the Cashier. This form must be approved (i.e.: be signed by a designated finance approver) *before* the details on the form are entered into Themis.

The Petty Cash information screen can not be printed from Themis. If you wish to keep a record of the payment it is recommended you keep a copy of the paper form before sending it to Accounts Payable.

#### Invoice Voucher number

The Invoice Voucher number is automatically generated by Themis when the Petty Cash entry has been completed. As the Invoice Voucher number enables the Cashier to locate your petty cash entry in Themis, you must write this number on the Petty Cash Reimbursement form before you take it to the Cashier for reimbursement.

If a petty cash claim has multiple receipts, they should be entered as separate line items. This method allows each line to have a relevant tax code associated (e.g.: non-GST items such as milk or fresh fruit and GST inclusive items such as biscuits can be represented on the same claim). **Note:** you can *collapse* multiple lines into the one line if they have the same account string and tax code (e.g.: six separate purchase of milk can be entered on one line).

For further details refer to the *Creating a petty cash reimbursement* reference card http://www.themis.unimelb.edu.au/resources/RC_Create_Petty_Cash.pdf.

## Employee expense reimbursement process

An Employee Expense Report (EER) must be used to process any employee reimbursement.

The employee making the claim is responsible for:

- completing the Employee Expense Report form;
- attaching original receipts and/or invoices;
- ensuring the EER form is signed by an appropriate authorising officer (approver).

The Themis Department Data Entry officer is responsible for:

- confirming the approval signature on the form;
- entering the expense report into Themis;
- recording the process date on the form;
- sending the expense report to Accounts Payable with the original documents attached.

Accounts Payable is responsible for:

- running an overnight process to convert the EER to an invoice for processing (this creates the employee as a supplier record and updates any personal details against Themis Human Resources module);
- receiving the EER and releasing any invoice holds on the claim.

**Note:** Advances will be issued centrally by Accounts Payable. Acquittal can be facilitated by the Department.

The Employee Expense Report is located on the forms section of the Financial Operations website (http://www.unimelb.edu.au/finops/).

**Important:** The Employee Expense Report form must be approved (i.e.: be signed by a designated finance approver) *before* the details on the form are entered into Themis.

Employee Expense reports are submitted electronically to Accounts Payable. **Note:** the Employee Expense information screen cannot be printed, if you wish to keep a record of the payment it is recommended you keep a copy of the paper form before sending it to Accounts Payable.

For further details refer to the *Entering an employee expense claim* reference card http://www.themis.unimelb.edu.au/resources/RC_Employee_Expense_Claim.pdf

## Converting foreign currency

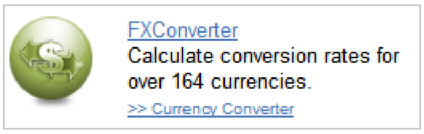
The following foreign currencies are supported in Themis:

- **CAD** - Canadian Dollar
- **CHF** - Swiss Franc
- **EUR** - Euro
- **GBP** - Pounds Sterling
- **HKD** - Hong Kong Dollar
- **JPY** - Japanese Yen
- **NZD** - New Zealand Dollar
- **SGD** - Singapore Dollar
- **USD** - US Dollar

For invoices that are not in a supported foreign currency, the invoice must be converted to AUD prior to entry in Themis. Foreign currency expense reimbursement must also be converted to AUD before entering against an Employee Expense Report.

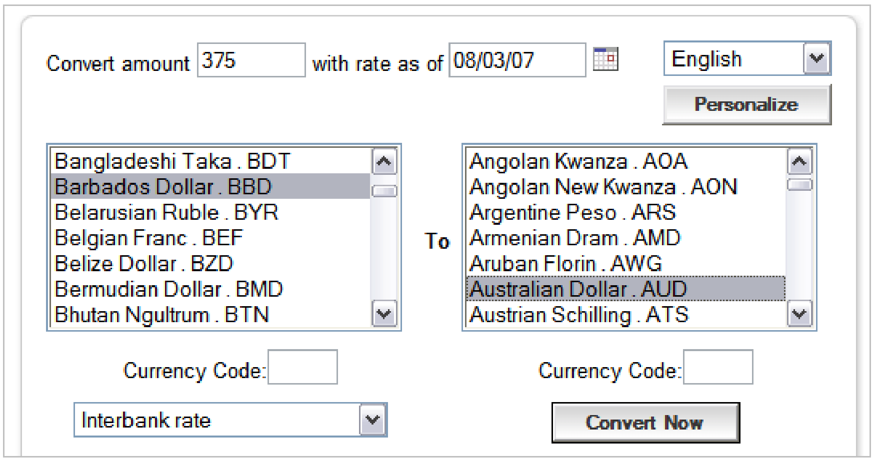
1 Log onto the Oanda FX converter website at www.oanda.com.

2 Click on **FXConverter** /link located in the currency Exchange Tools section.

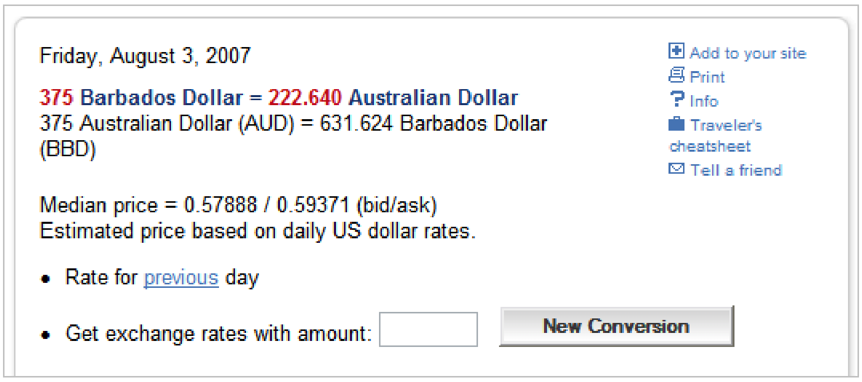



The FXConverter – Currency Converter will display.

3 Use the instructions on the screen to perform your conversion.




4 Record the AUD conversion value – this is the AUD value you will enter into Themis against the invoice.




5 Print or take a screen capture of the converted rates calculation to attach to the payment.

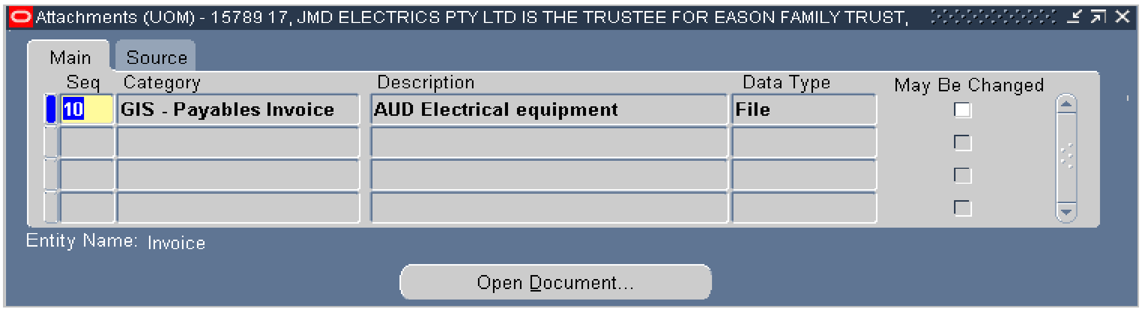
To make a screen capture, select **Alt + Print Screen** and paste into a Word document.
Attach the printout to your invoice, and forward with the Invoice Batch register to Accounts Payable for payment processing.

# Accounts payable rules and troubleshooting

### Viewing an imaged invoice

**1** Click on the **attachment** icon on the toolbar to display the Attachments screen.

**2** Click on the **Open Document** button and the invoice will be displayed.




**Note:** if you experience trouble opening an invoice, you may need to adjust your computer's image preferences. Refer to the *Setting your image preferences* reference card for further details.

### Reversing a line in an accounts payable invoice

When you have coded an invoice, clicking on the **Calculate Tax** button creates the appropriate tax line and saves your work. Once saved, you will be unable to change any distribution details in the invoice. To change any incorrect details you must reverse the incorrect line and re-enter it. **Important: you should never reverse a tax line.**

**1** Place your cursor on the line that is incorrect.

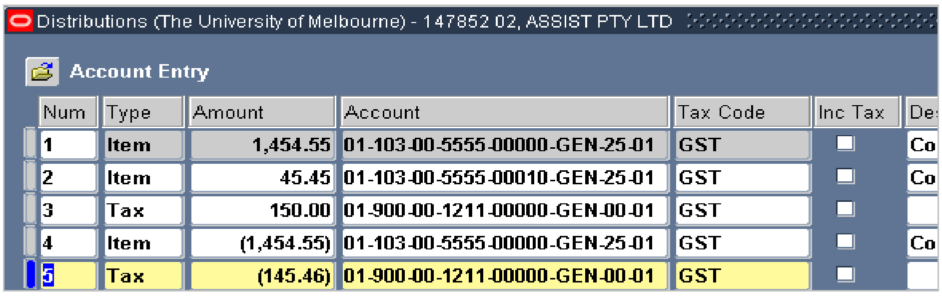
**2** Click on the **Reverse 1** button located on the bottom right of the Distributions screen.

A caution message will display asking you to confirm your action.

**3** Click **OK** to accept and close the caution message.

A new line will be created with a negative amount (indicated by brackets).

**4** With your cursor on that new line, click the **Calculate Tax** button to adjust the tax appropriately.




**5** With your cursor on a new line re-enter the correct amount and account string.

**Important:** you must enter the full amount (not the amount that has been reversed as it has had tax deducted).

**6** Click on the **Calculate Tax** button.

### What happens when invoice payment approval is rejected?

A rejection notification will be sent to the departmental data entry user who submitted the invoice for approval.

If you reject the invoice please enter the reason for the rejection in the Approver Comments field so that the submitter knows what further action to take on the invoice.

If the invoice is rejected, the supplier will NOT be paid until the invoice has been re-forwarded to the Approver through workflow and approved.

There may be instances where you do not wish to pay the invoice at all (e.g.: it may have been sent in error, not your invoice, the goods were never received, etc). In this case the Approver Comments should note that the invoice should be cancelled. This will alert the user who submitted the invoice that they should cancel it in Themis.

For further details refer to the *Approving financial transactions in Themis* reference card.

### Enclosures and special handling instructions

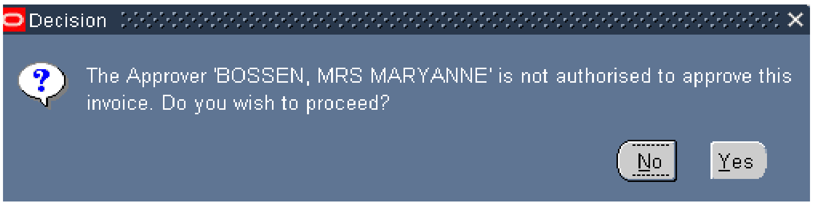
If documentation needs to be forwarded to the supplier with the payment (i.e.: a covering letter or registration form), please send this from your department directly to the supplier. Do not send ensclosures to Accounts Payable.

If a cheque is to be returned to the department to forward to a supplier with supporting documentation please use the Special Handling Instructions field to request return to the department.

### What is pre-approval?

When you tick the **Submit for Approval** checkbox, your default UOM Financial Approver will display in the Approver field. You can change this approver to any Themis user, regardless of whether or not they have a financial delegation.

If you change this value to a user without a financial delegation you will receive an on screen warning message to confirm you wish to proceed.




This person will receive a Pre-Approval notification. They are not the final approval person in the chain and do not require a financial delegation. This person is not approving the invoice but may acknowledge that the goods/services have been received and the account charging is correct. The Pre-Approver has the option to *Forward* or *Reject* the invoice.

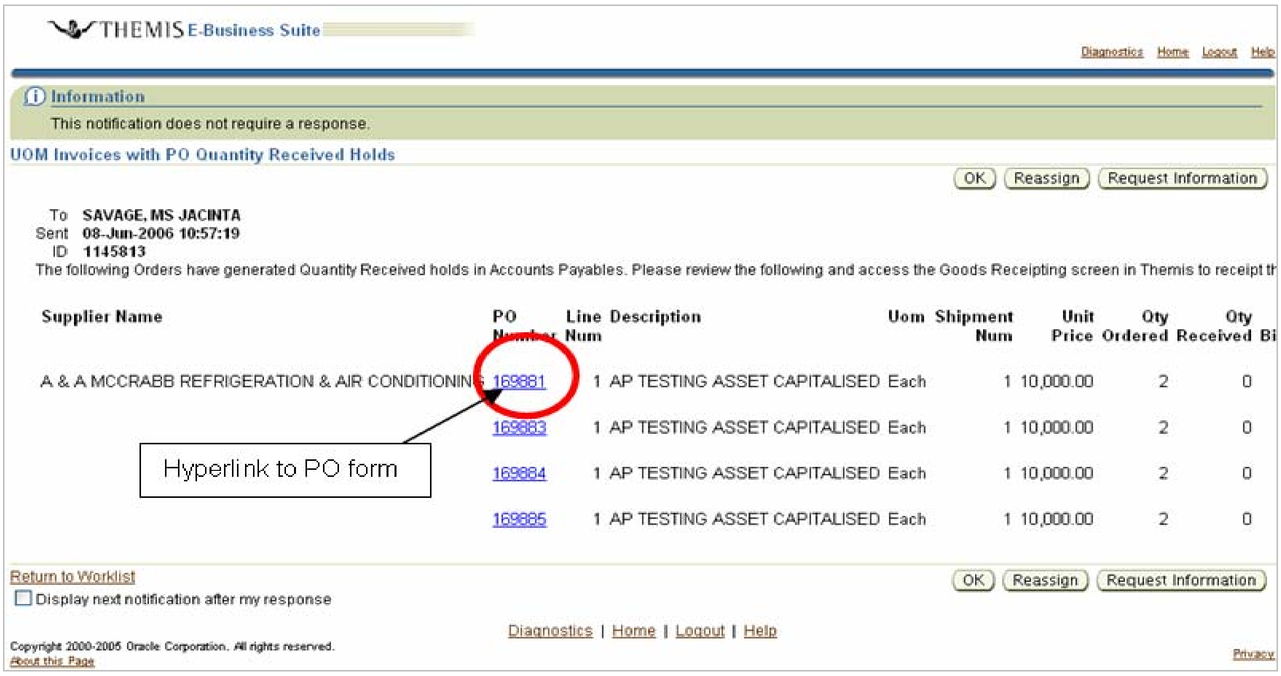
### Notification for PO matched invoice with Quantity Received hold

After the Buyer and/or Approver has approved a PO matched invoice, the system checks if there is an active Quantity Received hold. In general this hold applies to Asset items or when a department is using 3-way matching.

A Quantity Received hold will be applied if the items have not been receipted in Themis prior to the matching process. The Buyer will receive an FYI notification (UOM Invoices with PO Quantity Received Holds) requesting that they enter the Goods Receipt in the system.

There is no option to approve or reject this notification. This notification simply provides information on what action to take and does not require a response. You will keep receiving this notification until the goods receipt is entered in the system.

Asset details must be entered in Goods Receipting. Once the details have been entered in Goods Receipting the Quantity Received hold will be released and the invoice will be paid.



### Searching for an Accounts Payable supplier

The best way to search for an Accounts Payable supplier in Themis is by the ABN number. All suppliers who hold an ABN, are entered in this way. When ABN is not known, please ensure you use wildcards around the name (e.g.: %Dairy%Australia%) as many companies have numerous names or trusts as well as trading names.

For further details refer to the *Searching for information in Themis (Oracle) forms* reference card http://www.themis.unimelb.edu.au/resources/RC_Forms_Search.pdf.

### Fringe benefit tax

Fringe Benefits Tax (FBT) forms will be required to be completed for relevant invoice transactions. If you receive an imaged invoice for processing that relates to FBT, complete the FBT form and write the Voucher Number in the space provided in the top right hand corner of the form, obtain an authorising signature and forward to Accounts Payable. The form will be scanned and an image will be attached to the related invoice.

The Fringe Benefit Tax form is located on the forms section of the Financial Operations website:

http://www.unimelb.edu.au/finops/resources/forms/pdf/fbt_1_ent_dec.pdf

### Reimbursements for students and visitors

Payments to students should be processed using the Student Payment Request form which is located on the forms section of the Financial Operations website:

http://www.unimelb.edu.au/finops/resources/forms/pdf/Student_Payment_Request.pdf

Payments to visitors should be processed using the Imaging Payment Request form which is located on the forms section of the Financial Operations website:

http://www.unimelb.edu.au/finops/resources/forms/pdf/Imaging_Payment_Request_Ver1_200904.pdf

If you have supporting documentation, please attach it to the relevant form and forward to Accounts Payable. If the payment is a reimbursement, please attach the original receipts to an A4 sheet/s of paper using sticky tape on the top and bottom of each receipt to allow scanning of the receipts in Themis, then attach to the Payment Request form. All documentation will be scanned and imaged to make up the supporting invoice documentation. The invoice will then appear in your list of invoices for processing.

**Note:** if the student or visitor does not have a supplier account in Themis, please forward the *Application for a Student Supplier* form or the *New Supplier Request* form to Accounts Payable with the documentation.

### Reassigning an invoice to another department

If you realise that an invoice allocated to you for action does not belong to your department you may reassign the invoice to the appropriate department.

**1** Navigate to the Invoices screen and select the *Dept'l Invoices for Processing* folder.

**2** Double-click in the Dept/PO/Encl field to display the document details.

**3** Update the appropriate details and click **OK**.

| Field | Action | Comment |
|---|---|---|
| Doc Owner | Enter the number of the department (including location) to which you wish to reassign the invoice | This field is 5 digits only (e.g.: 05001).<br>**Note:** in most cases the location number will be "01" for Parkville. |

**4** Re-query the *Dept'l Invoices for Processing* folder (**Ctrl + F11**) to check that the invoice has been reassigned.

The invoice will now display in the invoice processing list of the department to which you have reassigned it.

## University of Melbourne Accounts Payable Policy

*Refer to the Finance Policy and Procedure guide, section 10. Payments (10.2. Supplier Payments / 10.4. Petty Cash) and section 11.1. Employment Payments (11.1.4 Reimbursements).*

### 10.2 Supplier Payments

Where an acquisition for goods and services is made that does not require a purchase order, the supplier invoice is entered directly into Themis as a standard invoice.

Compliant tax invoices are required to enable the claiming of GST paid on purchases.

Post purchase authorisation is evidences in Themis via:

- the signature on the Invoice Batch Register for manually entered invoices
- workflow approval for imaged invoices.

### 10.4 Petty Cash

Departments will have at least one Petty Cash float to be used for:

- small purchases and payments for the department
- reimburse staff members.

Claims for individual items must not exceed $100. Expenditure greater than $100 is considered too substantial.

Petty Cash reimbursements must be used in accordance with University policy.

### 10.4.2. Items NOT Reimbursable through Petty Cash

Petty Cash must not be used for:

- mileage allowances: these are processed through Human Resources because of Fringe Benefits Tax implications
- salary related expenditure: such as overtime, meal allowances etc.
- entertainment expenses of a substantial nature where there are Fringe Benefits Tax implications: such as restaurant meals, social functions etc. These must be paid via supplier invoice or as an employee reimbursement
- purchases of a substantial nature including stationery purchases.

Reimbursement of postage and taxi costs are discouraged as accounts can be set up with Australia Post or Cabcharge.

Reimbursement must not be for expenditure exceeding the amount of an authorised petty cash advance.

As a general rule, weekly reimbursements of the petty cash float indicates that the amount of the advance is correct.

### 11.1.4 (Employment Payment) Reimbursement

University expenditure paid by staff from their personal funds is reimbursed via Themis Accounts Payable Employee Expense functionality.

Expenditure reimbursed is generally for travel, entertainment, consumable supplies, etc. Staff must not pay individuals for their labour from personal funds and then seek reimbursement from the University.

Original invoices or receipts are required to support the reimbursement.

Visitors to the University, who do not receive remuneration, can be reimbursed for expenses.

# Getting Help

The Themis website (www.themis.unimelb.edu.au) provides written support in a variety of formats:

- Reference cards (step-by-step instructions for specific tasks) http://www.themis.unimelb.edu.au/support/ref_cards.html
- Information sheets (overview of specific module, function or responsibility) http://www.themis.unimelb.edu.au/support/documentation/info_sheets.html
- Frequently Asked Questions http://www.themis.unimelb.edu.au/support/faq.html

## Themis Service Desk

The Themis Service Desk team provides technical assistance from 9am to 5pm, Monday to Friday. You may lodge Themis queries:

- Online: http://servicedesk.unimelb.edu.au/itsc/themis
- By email: ea-help@unimelb.edu.au
- By phone: 8344 9500

## Further Themis Financials training opportunities

The following courses run by Financial Operations may be useful for staff who need to process employee expense claims and/or petty cash:

**Goods and Services Tax (GST)**

This course is designed to explain the basics of GST. It provides practical rules on how to determine GST treatment of transactions, including relevant University examples. Information covered includes:

- how GST works (when to charge and when to claim GST);
- how to account for GST in Themis,
- implications for cost recovery, contracts and budgeting.

**FBT – Fringe Benefits Tax training**

This course explains the basics of FBT. It provides practical rules to apply when determining whether FBT applies to a transaction including University examples. Information covered includes:

- how the FBT legislation works,
- when FBT should be applied to a transaction,
- how FBT is captured in Themis,
- the effect of FBT on budgeted costs - how to undertake events in a manner that will attract the least amount of FBT

For more information see: http://www.unimelb.edu.au/finops/services/training/index.html