Receiving Change FAQ (DRAFT)

# Purchase Order

1. Does $2,500 refer to the requisition, purchase order, or the invoice?
   1. Purchase Order
2. Will I still get receiving holds emails for invoices on POs under $2,500?
   1. No, you will not get a holds email related to receiving because the invoice will no longer go on hold
3. Will I still get a hold email for other types of holds (e.g. quantity, amount, etc.) if the PO is under $2,500?
   1. Yes, you will still get a holds email if another hold applies to any order, just as you do today.
4. Will I still get a hold email for an invoice under $2,500 if the total of the PO is over $2,500?
   1. Yes, invoices related to any PO over $2,500 will continue to go on receiving hold to be released for payment.
   2. Example: A PO has a total of $3,499. An invoice comes into AP for $250. This invoice will go on receiving hold because the total of the PO is over $2,500.
5. Will I still need to do receiving in HCOM at all?
   1. Yes, if the PO total amount is $2,500 or greater, receiving is still required to release payment.
6. Will I still be able to use receiving in HCOM for orders under $2,500?
   1. Yes, purchase order line items remain open for receiving until the purchase order is closed, but receiving does not affect payment for orders under $2,500.
7. When am I no longer able to receive on Purchase Orders (under and over $2,500)?
   1. When a PO is closed at the header level receiving is no longer available. The header level of a PO is closed when:
      1. All lines have been received and matched to an invoice
      2. The Purchase Order is manually closed by AP due to a request from the department
8. How will this affect standing orders?
   1. Standing orders should continue to follow the same process as today.
   2. If the invoice is sent directly to central AP and the purchase order is less than $2,500 it will be processed as a two-way match and get paid (same as a PR).

# Reporting

1. How will the change affect reports? (Please note that current answers reflect understanding of changing data elements, but are yet to be tested)
   1. Committed Funds – While there is no fundamental change to the CFR or the data it represents, departments will most likely notice a decrease in content on their CFR if previously there were a large number of POs listed because of receiving holds.
   2. HCOM Receiving Details and Purchase Order Summary – No change
   3. Detail Listing – No change
   4. OBI Vendor Invoice Listing – No change
   5. Holds - POs under $2,500 will no longer go on hold for receiving, and therefore will not show on the holds report for receiving holds.
2. When does an amount come off of the Committed Funds Report and move to the Detail Listing?
   1. When an invoice is matched to a PO (and there are no holds or other actions needed) the invoice amount will move from the Committed Funds Report to the Detail Listing. Note, this is not the payment date, but rather the GL entry date on the Detail Listing.
3. Is there a report that can tell me whether or not something has been received?
   1. FSS is investigating the possibility of an HCOM Audit report or an OBI report.
4. How can I best report on early payment discounts that have been taken?
   1. OBI Vendor Invoice Listing
5. What is the difference between a two-way and a three-way match?
   1. A two-way match is complete when an invoice is matched to the data on the related PO (line item, quantity, and amount). This puts the invoice in queue to be paid within the appropriate payment terms (see payment terms below).
   2. A three-way match is complete when an invoice is matched to the related PO AND receiving is completed in the system. This puts the invoice in queue to be paid within the appropriate payment terms (see payment terms below).
6. Will the new Manual Hold process show up on the holds report?
   1. Yes
7. Payment Terms: When does an invoice get paid?
   1. Information regarding payment terms and the timing of payments can be found at https://oc.finance.harvard.edu/university-standard-payment-terms-and-change-requests

# Business Process

1. Does this change the process for returns and related issues?
   1. No, the returns process remains the same.
2. How can I prevent an invoice being paid in error?
   1. The invoice is paid based on payment terms. Departments have 6 – 10 days for early payment discount vendors and 26 – 30 days for regular vendors to address issues or put an invoice on hold via the Manual Holds process.
   2. AP Manual Holds process will allow departments to put an invoice on hold if there is a legitimate concern. (Please note there will be a link to the new process once it is complete)
3. What if an invoice is paid in error? What is the issue resolution process?
   1. Vendor is managed by Strategic Procurement: If a payment has been made and the vendor is not cooperating with the return process, departments should reach out to the Strategic Procurement Sourcing Manager who manages the vendor relationship http://internal.procurement.harvard.edu/home
   2. Vendor is not management by Strategic Procurement: Follow your local error resolution process within your department/school. If the issue continues, please contact Accounts Payable at ap\_cutomerservice@harvard.edu.
4. What if a vendor is a repeat offender who regularly causes issues with invoicing prior to shipment?
   1. If the vendor is a Marketplace or vendor managed by Strategic Procurement users should contact procurement@harvard.edu to report the repeating issues.
5. What about back-order items?
   1. Vendors should not invoice prior to shipment. Should you determine that an invoice was paid before the items were received you should notify Accounts Payable and they will follow the issue resolution process outlined above.
6. Who can release an invoice that has been put on Manual Hold?
   1. Anyone with Oracle HCOM permission and knowledge of the invoice in question can request the hold or request that it be released.

# Policy

1. Does the federal government require receiving on all orders for audit purposes?
   1. No, this is not a federal requirement.
2. Do I have to keep paper receipts or track receiving in a shadow system now?
   1. No, this change will not require departments to retain proof of receipt (paper, electronic, or otherwise) for purchase orders under $2,500.
3. Where can I find the policy that has been changed?
   1. http://internal.procurement.harvard.edu/files/procurement/files/harvardprocurement\_manual.pdf. This manual will be updated at the time of the change and system release.
4. What are other universities doing about this?
   1. OSP, RMAS, and Strategic Procurement contacted various other schools including Yale, Caltech, Stanford, JHU, Princeton and MIT. All have similar 2-way match policies with no receiving under a specific dollar threshold, often higher than $2,500.
5. Will auditors still ask me for receipts (system or otherwise)?
   1. Receipts and systematic receiving are no longer required under $2,500. You will only be asked to provide receipts or proof of receiving in HCOM if the purchase order is $2,500 or over.
6. Does this change our purchase order terms and conditions?
   1. No, all PO terms and conditions remain the same.
7. What is presumed receipt? How does the system know that this order is “okay-to-pay”?
   1. Standard matching criteria (quantity, amount, etc.) will apply to all purchase orders.
   2. Presumed receipt is a common purchasing and accounting practice where receipt is presumed unless otherwise stated. It is the responsibility of the purchaser or a designee to bring issues to the attention of Accounts Payable in a timely fashion (within the stated payment terms).
8. Can departments opt to not change this process if they do not want to?
   1. No, both policy and systematic changes must be universal for all Harvard University departments and users.
9. What about payments made after the close of a federal award where proof is needed that delivery happened prior to the closing of the award?
   1. You can continue to receive in the system which can serve as proof of receipt.

# Open Questions

1. What happens to POs created prior to the implementation of the change? Will this retroactively change them to a two-way match?
2. Is there anything I need to worry about at Fiscal Year-End after this change takes place?
3. Will two-way match POs fall off of the Committed Funds Report in the same way that they do today as three-way matches?
4. Define the different types of “Closed” (invoice, line item, PO header, etc.) and which ones show up on which reports.
5. Is there any report or way of figuring out that a PO is closed at the header level and receiving is no longer available?
6. Will I still be able to receive on a PO after HUIT/FSS runs the bi-annual process that closes POs open for a certain amount of time with inactivity?