wvOASIS Procurement

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Part II

Agency Purchasing Conference

August 2022

Objectives

1. Setting Up the Award for Successful Payments

2. Avoiding Commodity-based Payment Issues

3. Tables and Reports

4. Review Encumbrance Liquidation Methods

5. Corrective Documents (IN/CEC)

Objective 1

Setting Up the Award for Successful Payments

Avoid Quantity of One

- Avoid using a quantity of **one** on a purchase order unless you know for sure your agency will receive only <u>one</u> invoice for the commodity line.

- If you need to allow partial payments, then the quantity needs to be greater than one, or you may need to include additional commodity lines .

- Another alternative is to make the commodity line a ***Service*** instead of an ***Item*** type if the order is for a lump sum that could potentially be invoiced in partial amounts.

Commodity Line Types

- All commodity lines require a line type.
- Line types are inferred from the award document and cannot be modified on the IN and RC.
  - Item
    - Used when there is a set unit price and specific quantity ordered.
    - Avoid using with Lump Sum pricing.
    - Avoid using with a Quantity of 1 combined with a Lump Sum unit of measure.
  - Service
    - To be used, whether a tangible or service-related purchase, when the quantity is not relevant, or will not be invoiced based on quantity.
    - To be used when the amount to be paid is a lump sum but cannot guarantee payment will be made in one lump sum.

Commodity Line Types

- Item versus Service
  - Using an Item type commodity line, in conjunction with a Quantity of 1 and Lump Sum Unit of Measure should be avoided unless certain the payment will be made in a single lump sum amount.
    - Awards with this scenario, that are not paid in a single payment for the full amount, frequently result in issues when attempting to make multiple payments.
      - Typically results in corrective IN and CEC documents.
      - Consider corrective options to the award document before making payments under this scenario (i.e. change commodity line from Item to Service line type).
  - Quantities and unit prices should not be manipulated to arrive at a partial payment amount.
    - For example, do not decimalize the quantity to arrive at a specific unit price or invoiced amount for partial payments, typically where a quantity of 1 was used on an Item line type.
    - Quantities and unit prices should not be manipulated to arrive at a vendor's invoice total.

Master Agreements and Quantities

- Master Agreements are open ended agreements requiring Delivery Orders to be received and paid against.
    - Master agreements are not encumbered.
    - Encumbrance occurs at the Delivery Order level.
- Master Agreements do not typically contain a quantity at the commodity line level.
    - To control the quantity that can be ordered, a quantity can be entered at the master agreement commodity line level.
    - A quantity entered at the master agreement level will prevent orders from being created once that quantity has been met.
    - Entering a quantity value such as "1" at the master agreement commodity line level will limit the quantity that can be ordered via Delivery Order to "1" in total, not per Delivery Order

Master Agreements and Quantities

- Various options for establishing limits on a Master Agreement
    - Use the Thresholds tab at the Header section to establish minimum, maximum or not to exceed order amounts for the master agreement in its entirety.
    - Thresholds entered at the Vendor section could limit orders against other awards.

Master Agreements and Quantities

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– Service Contract Amount can be used at the Commodity Line level to limit order for Service line types.

– Quantity field can be used for Item line types at the Commodity Line level if there is a maximum amount allowed or to be controlled by commodity line.

SHOP Reminders

- SHOP replaced the URCATS and URSRCHMA pages previously used in wvOASIS version 3.9 to create delivery orders.
- The wildcard symbol on the SHOP page is the % symbol, not the * as on other wvOASIS pages.
    - The wildcard is inferred in front of and behind text in the Search For field.
    - The wildcard is only required between text in the Search For field.
    - The Search For field will search for text across multiple fields on the master agreement, including these primary fields:
        - Vendor name
        - Doc ID
        - Commodity Line Description
        - Extended Description

SHOP Reminders

- Familiarize yourself with the master agreements
  - Is the master agreement itemized with a commodity line for each item available for purchase?
    - Typically have the unit price established
    - Delivery order unit price must match the master agreement
    - Unit Price can be adjusted on the IN document if less than awarded price. (Confirm a change order is not required first)
  - Or, does the master agreement contain one generic commodity line, such as the current statewide master agreement for office supplies?
    - A pricing attachment is typically included on the header section of the master agreement.
    - Typically for a unit price of $0, allowing the user to enter the individual unit price for each commodity line added to the delivery order.
    - Commodity lines typically have to be copied or new lines inserted manually to itemize and include items with varying unit prices on the delivery order.
    - Can't typically search for individual items within the master agreement on SHOP when a generic commodity line is used. Details contained within the pricing attachments are not searchable on SHOP.

Objective 2

Avoiding Commodity-Based Payment Issues

Condition Codes

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- Condition codes are used on Invoice (IN) and Receiver (RC) documents to record the reason for payments not made in full, or when amounts paid differ from the award.

- Condition codes, when used properly, can reduce the volume of issues experienced when reducing or liquidating award documents via modification versions (change order).

- Condition codes, used improperly, create the unnecessary need for corrective IN and CEC documents.

Condition: 10

Partial Shipment

Reason: Some items backordered, partial shipment.

		pe
Select	Duplicate Shipment	Overage
Select	Over Shipment	Overage
Select	Damaged Items	Underage
Select	Partial Shipment	Underage
Select	Invoiced at Lower Price	Underage
Select	Invoiced at Higher Price	Overage
Select	Unsatisfactory Service	Underage
Select	Late Delivery	N/A
Select	Unable to Deliver	Underage
Select	Partial Service Delivery	Underage

Condition Codes

MOST APPLICABLE CODES FOR RC AND IN DOCUMENTS

- Partial Shipment or Partial Service Delivery (Underage)
  - Use only if receiving a partial amount and/or invoiced by the vendor for a partial amount of the commodities and additional payments are anticipated to be due the vendor.
  - Does not liquidate the difference between invoiced and awarded amount.
  - Use caution if changing the commodity lines from Partial to Final.
    - This may result in premature closing of the commodity line, preventing additional payments.
    - Corrective IN and CEC documents will be required to re-open amounts closed prematurely.
    - A change order may be required if the full amount awarded will not be invoiced and paid to the vendor.
    - For use when the quantity or SC amount on the vendor's invoice are partial of the awarded amount.
    - Do NOT use to process invoices with a Unit Price that differs from the award document.

- Invoiced at Lower Price (Underage)
  - Use when vendor invoices at a lesser Unit Price than on the award document
    - Automatically liquidates the difference between the invoiced price and awarded price.
    - A change order may be required instead if the full amount awarded will not be invoiced and paid to the vendor, or a lower unit price is being paid.

Condition Codes

- Late Delivery
  - Can be used on RC documents to record late delivery of commodities to be paid.

AVOID USING THESE CODES:

- Other
  - The "Other" condition code should be avoided when other codes exist that are more applicable.
  - May cause issues with award documents due to actions allowed using "Other".
- Invoiced at Higher Price (Overage)
  - A change order may be required for invoiced prices that exceed the award document.
  - Higher invoiced prices may require a new invoice from the vendor with correct pricing that matches the award document.
  - Consult with your Buyer before paying invoices at a higher amount.

Condition Codes

USE THESE CODES ON RC DOCUMENTS ONLY.

- Must be used in conjunction with the Rejected Quantity field when an invoice will not be processed.
  - Unsatisfactory Service (Underage)
  - Unable to Deliver (Underage)
  - Duplicate Shipment (Overage)
  - Over Shipment (Overage)
  - Damaged Items (Underage)

Commodity Lines and References

IN and RC Commodity Line References (Partial vs Final)

- System defaults to Partial
- Automatically changes to Final when full quantity or SC Amount is entered.
- Final closes out the commodity line for additional receiving and/or invoicing.
- Do NOT manually change to Final.
  - If the full amount is not being paid, then a change order may be required to formally reduce the amount.
  - If a change order is not required, Final can be used to automatically liquidate the remaining balance on the award document. A Condition Code will also be required when closing a line for a lesser amount than awarded under this scenario.

Shipment Indicator: Partial ⌄

Invoice Indicator: Partial ⌄

Objective 3

Tables and Reports

Procurement Folder (PRCUID)

- The **Procurement Folder** provides a central location for buyers and procurement officers to manage a purchase through the life cycle

- Use page code **PRCUID** in the Jump-To Box, or

- Document Header →Related Actions →View Procurement Folder

Matching (MATA) Table

- To view the documents and matching detail, enter MATA in the Jump To field

- Enter the Procurement Document Code and ID

- The Payment Request document can also be generated from the MATA table

Commodity Codes

- Commodity codes are a tool used for classifying information and managing procurement data.

- Commodity codes enable:
  - Matching requirements
  - Reporting and spend analysis
  - Bid opportunity alerts and notifications
  - Inventory control, materials management
  - Catalog management
  - Recording of potential Fixed Assets

Matching Process

- Matching requirements are determined by the commodity code
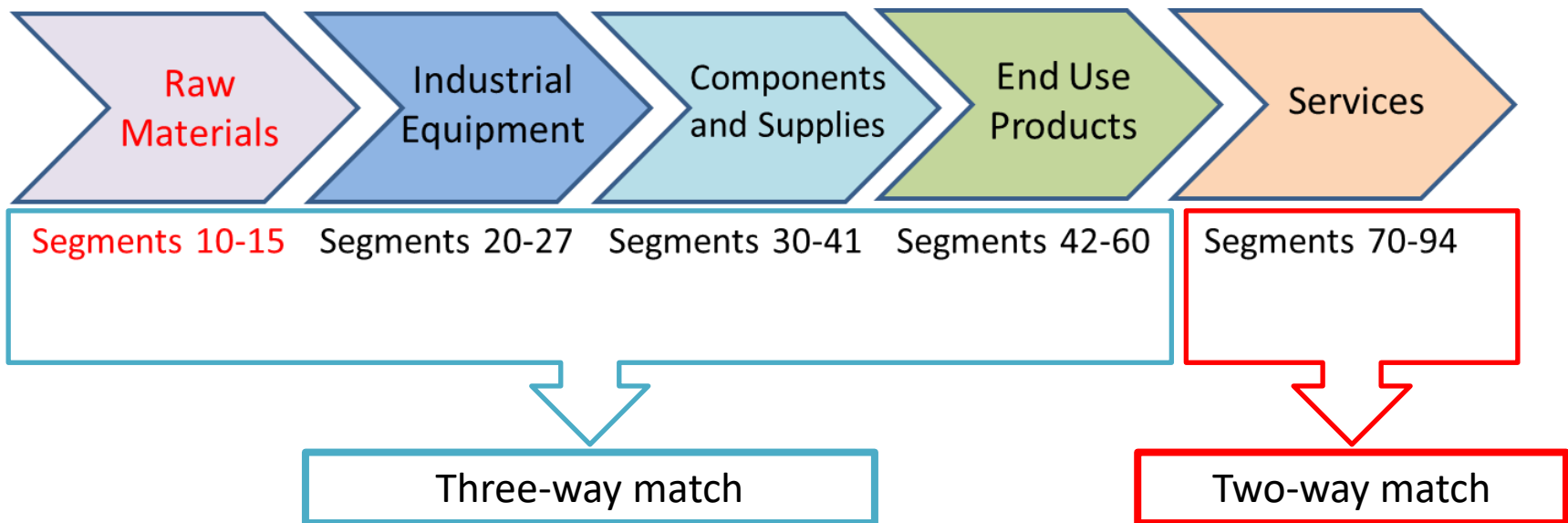 - Two-way match
    - Order
    - Invoice
  - Three-way match
    - Order
    - Invoice
    - Receiver

Matching & Commodity Codes

- For three-way matchThe system will automatically require a Receiver document based on the commodity code used on the procurement document before payment can be requested

- As a general rule, the segment can be used to identify when a Receiver document will be required

Matching & Commodity Codes

- UNSPSC codes are eight digits in length
- The codes have a four-level hierarchy

Segment	Family	Class	Commodity
15	10	16	13

Raw Materials	Industrial Equipment	Components and Supplies	End Use Products	Services
Segments 10-15	Segments 20-27	Segments 30-41	Segments 42-60	Segments 70-94

Three-way match

Two-way match

Business Intelligence

- Procurement Report Examples
  - Encumbrances and Pre-encumbrances
    - WV-FIN-PROC-028: Encumbrance balances by award accounting line
    - WV-FIN-PROC-033: Out/Future Fiscal Year (PR07) Accounting lines
    - WV-FIN-PROC-035: Pre-encumbrance documents with Event Type PR02
    - WV-FIN-PROC-045: Requisition Open Amount and Corresponding Award Actual Amount
  - Procurement Locations
    - WV-FIN-PROC-056: Shipping, billing, and bid receiving locations
  - Master Agreement usage reports
    - WV-FIN-PROC-036
    - WV-FIN-PROC-057
    - WV-FIN-PROC-057B
  - Procurement Activity
    - WV-FIN-PROC-030: Bid openings (closings)
    - WV-FIN-PROC-041; Notice of Award
    - WV-FIN-PROC-042: Contract Begin and Expiration dates

PROC-028: Encumbrance Balances

- For various reasons, funds may remain encumbered on an award after the goods or services have been received.
  - When requested items or scope of work is overestimated.
  - When the wrong line reference type is used (Partial/Final).
  - When vendors submit final invoices for less than the encumbered amount.
  - When payment is made by GAX or PCard without referencing the award document.

Procurement Award Accounting Detail

- The WV-FIN-PROC-028 Procurement Award Accounting Detail report can help you identify open encumbrance balances that need liquidated.

- The following document codes are included in this report: APO, ACT, ADO, CPO, CCT, CDO, GAE, and GRTAWD.

Procurement Award Accounting Detail

Double click *WV-FIN-PROC-028 Procurement Award Accounting Detail*.

Procurement Award Accounting Detail

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When the report opens, click the ***Reading*** button on the right, and then click the ***Refresh*** button on the left.

Procurement Award Accounting Detail

- At a minimum, you will need to add the Department code.

- Review the other parameter fields in case you would like to narrow your report results to such parameters as Unit, Fund or BFY.

Procurement Award Accounting Detail

- After the report has been successfully executed, review the information by clicking the tabs at the bottom of the page, or export the report to Excel or PDF by clicking the *Export* button at the top.

Procurement Award Accounting Detail

- Vendor, Document ID, Description, and the Chart of Account elements are included.

DEPARTMENT: 0947 - ENTERPRISE RESOURCE PLANNING BOARD

Fund	BFY	Unit	Appr	Obj	Sub-Obj	Func	Sub-Func	Act	Sub-Act	Loc	Sub-Loc	MJ Prog	Prog	PPC	Eve Ty	Original	Adjusted	Closed	Open
COMPTON OFFICE MACHINE LIMITED LIABILITY COMPANY																			
0947, APO, ERP1900000012				*Compton Office Machine Co. - Roll Document from 2020 to 2021*															
	Compton Office Machine Co.													2/11/20		**2/11/20**			
9080	2021	0947	13000	3229	3635										PR05	0.00	598.50	0.00	598.50
														Document Total:		0.00	598.50	0.00	598.50

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Procurement Award Accounting Detail

- Scroll to the right to view the open amounts associated with the encumbrance document.

Eve Ty	Original	Adjusted	Closed	Open
	2/11/20			
PR05	0.00	598.50	0.00	598.50
	0.00	598.50	0.00	598.50

Procurement Award Accounting Detail

- Additional controls are available to filter by dollar amounts.
- Click the Web Intelligence drop-down menu to open the **Side Panel** to display the Input Controls if they are not already visible.
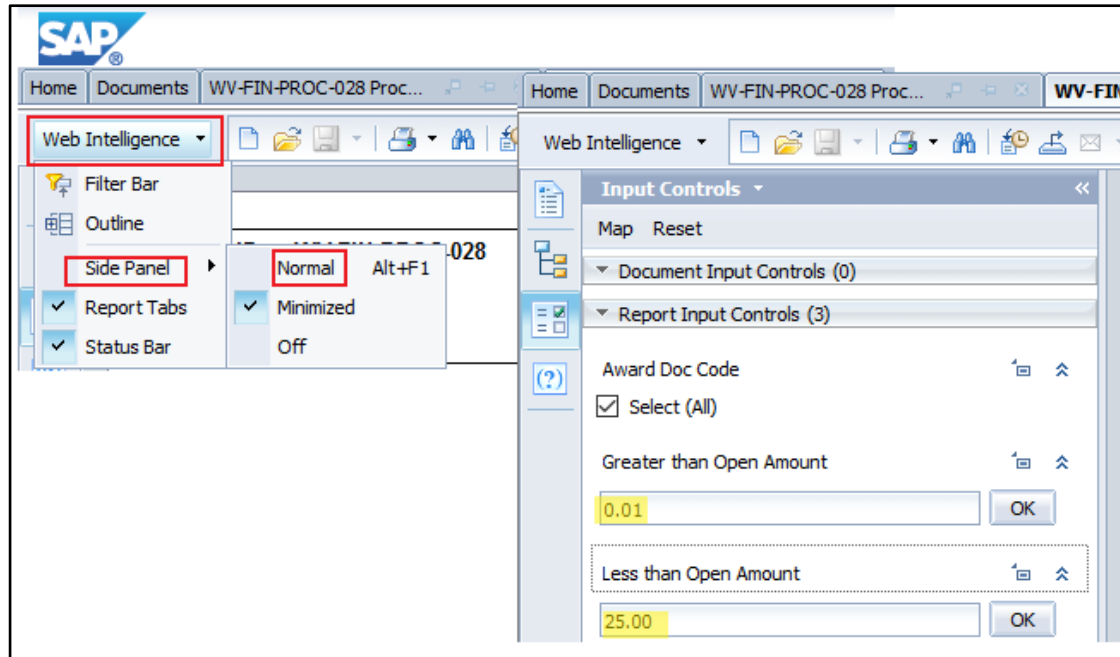
Objective 4

Review Encumbrance Liquidation Methods

Encumbrance Liquidation

- Cancellation versus Modification/Change Order
  - Cancellation versions can be created by clicking *Discard* on the Final version of a document.
    - Cancellation versions can only be created when the document has no activity, such as Invoices (IN), Payment Requests (PRC, PRM, PRCC) or Receiver (RC) documents posted.
  - Procurement documents with activity posted may require a modification version change order be processed to liquidate and reduce remaining balances.
    - Please refer to your department's purchasing guidelines regarding remaining balances and proper procedures for cancelling remaining balances.

Encumbrance Liquidation

- Do NOT cancel Purchase Orders and Delivery Orders to free up budget (common during the end of the fiscal year).
  - This can result in confusion to your vendors.
  - This has an adverse effect on reporting.
  - Instead, agencies should use the appropriate procedure when a remaining encumbrance needs to be liquidated.

Encumbrance Liquidation

- If the scope of work was over-estimated, process a Change Order to reduce the open amount to match the Closed amount.

- If the item(s) will not be delivered until the new fiscal, an Accounting Adjustment should be processed to move the encumbrance to an out (future) fiscal year.

Objective 5

Corrective Documents (IN/CEC)

Applying Payments to An Award

- If payments were made by GAX or P-Card without reference to the Purchase Order, use the liquidation instructions provided on *myApps / Enterprise Readiness / Outreach Sessions / Financial / Year End Closeout*

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- Scenario: Quantity is liquidated, but encumbrance balance remains.
  - Award commodity line is an Item type (Quantity-based).
  - Vendor invoiced for full quantity, but at reduced Unit Price.
    - The IN and Payment Request (PRC, PRM) will automatically default to Final reference when the quantity is paid in full, even if a dollar amount remains on Item type commodity lines.
  - Quantity is liquidated, and the commodity line is closed.
  - However, a dollar value remains.
    - A dollar amount remains due to:
      - Change order was not processed to reduce the Unit Price on the award document prior to payment.
      - Or, the correct Condition Code for vendor invoicing at a lower price (11) was not used to record the lesser unit price on the IN to automatically liquidate the difference between the award unit price and the invoiced unit price.
- Correction Method:
  - $0 Final reference IN and CEC will close out the remaining dollar amount where a quantity has already been liquidated.
  - A modification version change order may be required afterwards to document the reduction on the award document.

Re-Open a Line Closed Prematurely

- Scenario: Commodity line closed prematurely before all payments were processed.
  - Award commodity line can be either an Item or Service line type.
  - The award has been only partially paid out, but a Final reference payment request liquidated the remaining open encumbrance on the award.
    - The reference on the IN and/or Payment Request (PRC, PRM) is manually changed to Final in error when it is not truly the final payment.
      - System defaults to Partial, and only changes to Final if the full quantity or SC Amount is submitted for payment.
      - If the reference is changed to Final, it will close the commodity line even if the quantity or SC Amount is not being paid in full.
    - Multiple payment requests are submitted on or near the same time and are processed out of sequence. For example, a Final reference payment request is submitted to final before the Partial reference payment request.
- Correction Method:
  - $0 Inverse reference IN and CEC will re-open a line closed prematurely when the Partial reference is changed to Final reference.

Questions

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